

Presidents' Reports

2nd QUARTER 2018

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Getting Back To Business

FRANCHISEES



ARE the
Brand

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NCASEF's
43rd Convention:
**FUN AND
GOOD TIMES
IN ORLANDO**

FOAs—The Backbone

The Perfect Storm

Outlaw Laboratory Claims

Get Back To Business

Leadership When It Really Counts

The WOTC Program

Did We Burn The Bridge?

The Franchisor/Franchisee Relationship



4 EXCLUSIVE FEATURES TO DRIVE TRAFFIC AND PURCHASE IN P4!

1 PREDICT & SCORE BRACKET CHALLENGE



PLAY
EITHER
WAY!

2 BUY, SCAN, PLAY!



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NOW'S THE TIME to expand your cookie set with a broad selection of on-trend favorites. At 7-Eleven, the Cookie category is up 11.8% over a year ago and accounts for \$54MM in business.³ Keebler® shelf cookies turn an average of 2.4 units per store per week.⁴

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AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

May/June 2018

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FRANCHISEES

ARE the
Brand
Come One,
Come All!

The NCASEF
National Convention &
Trade Show

Orlando • July 23-26

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GOAL:

Increase distribution of Coca-Cola Simply Juice SKU's by 5% between March 1st, 2018 and August 25th, 2018

ELIGIBILITY:

Each store that increases the number of Coca-Cola Simply Juice SKU's will gain entries into a drawing for cash prizes (eligible SKU's in priority ranking on opposite page).

- Stores adding one (1) incremental 11.5oz Simply SKU will receive 5 entries into drawing
- Stores adding two (2) incremental 11.5oz Simply SKUs will receive 10 entries into drawing
- Stores adding three (3) incremental 11.5oz Simply SKUs will receive 15 entries into drawing
- Stores that are currently carrying all 10 SKUs of 11.5oz Simply will receive 5 entries into drawing
- Stores that carry one (1) 32oz Simply OJ and one (1) 52oz Simply OJ will receive 5 entries into the drawing.

MEASURE:

7-Exchange Data

- Number of store entries into the drawing will be determined by using the Latest 12-Week ending August 28, 2018 store level data for eligible SKU's.

DRAWING:

- Complete drawing September, 2018
- Announce winning stores October, 2018
- Payment payout November, 2018

INCENTIVE KICKER:

NCASEF will receive a payment of \$30,000 to be used at the boards discretion if total store SKU growth meets certain parameters.

PAYOUT POTENTIAL: \$140,000

Twenty (20) \$500 prizes available (\$10K)

Twenty (20) \$1,500 prizes available (\$30K)

Twenty (20) \$1,000 prizes available (\$20K)

Twenty (20) \$2,500 prizes available (\$50K)

30,000 to NCASEF for achieving 5% growth target.

Note: Store level prize pool will be determined by overall growth % achieved for NCASEF. Every 1% = \$5,500

Questions: Contact Patricia Hale at 806-786-2159
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UIN #: 862177



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with Raspberry
(11.5 fl oz)
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with Mango
(11.5 fl oz)
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UIN #: 152314



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SLIN #: 0240163
UIN #: 162727



Simply Cranberry®
Cocktail
(11.5 fl oz)
SLIN #: 0248052
UIN #: 152389



Simply Light Orange
Pulp Free
(11.5 fl oz)
SLIN #: TBD
UIN #: 040877



Simply Apple®
(11.5 fl oz)
SLIN #: 0248049
UIN #: 152074



Simply Light
Lemonade
(11.5 fl oz)
SLIN #: TBD
UIN #: 040867



Simply Orange®
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SLIN #: 0246638
UIN #: 978882



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Simply Orange®
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160
CALORIES
PER BOTTLE

Amazon Go C-Stores To Open In Chicago

Amazon Go is setting a foothold in Chicago, where two locations have been chosen for the new cashierless store concept, reported the *Chicago Tribune*. Amazon has leased spaces for the high-tech convenience stores in Chicago's tallest building, Willis Tower, and in an office building connected to Ogilvie Transportation Center. Those are two of the first known locations for the new Amazon retail format, which debuted at Amazon's downtown Seattle headquarters campus in January.

Amazon Go is essentially a c-store without checkout lines, where customers can use their smartphones to quickly buy sandwiches, salads, meal kits and other foods. Recently, the *San Francisco Chronicle* reported that an Amazon Go store was planned in the city's Union Square. Amazon reportedly has been looking for spaces in other cities too, including Los Angeles.

Unemployment Rate Lowest In 50 Years

The U.S. economy added 223,000 jobs in May, smashing expectations and driving down the unemployment rate to 3.8

percent—matching its lowest level in nearly 50 years, reported the *Washington Examiner*. Economists had expected a 190,000 increase in jobs. The 3.8 percent national unemployment rate, which fell from 3.9 percent, ties the rate in April 2000, at the peak of the tech boom. Before that, one has to go back to December

“The national unemployment rate has not been 3.8 percent since April 2000, the peak of the tech boom.”

1969 to find a month when the unemployment rate was lower. The Labor Department's Bureau of Labor Statistics also adjusted job growth from March and April to add another 15,000 jobs.

SEI's Real Estate Lawyers Recognized

7-Eleven's in-house lawyers were recently recognized by the Association of Corporate Counsel (ACC) as 2018 Value Champions, reported *CSP Daily News*. According to the ACC, to be considered a value Champion, “a law department must move at the speed of the business client, optimizing every process, controlling every cost, taking advantage of every available piece of data.” The article states that SEI streamlined its law department to better

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The Voice of 7-Eleven Franchisees
May/June 2018

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The National Coalition Office

The strength of an independent trade association lies in its ability to promote, protect and advance the best interests of its members, something no single member or advisory group can achieve. The independent trade association can create a better understanding between its members and those with whom it deals. National Coalition offices are located in Universal City, Texas.



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support its growing retail portfolio with the help of Chicago-based Seyfarth Shaw LLP. As a result, SEI was able to “implement value-based sourcing and staffing by realigning workflow to create a hybrid in-sourced/outsourced model that moves low-cost work such as title and survey review to Seyfarth Shaw’s real estate hub in Atlanta.” Seyfarth Shaw further used proprietary technology to create a dedicated 7-Eleven website that streamlines communications among the legal department and more than 100 real-estate professionals.

In eight months, SEI was able to reduce its total outside counsel spend by 19 percent in real estate. Outside counsel fees for new-store development decreased by 13 percent year over year, and new-store deal fall-through rates declined from 25 percent to near 1 percent. By transferring four contract specialists from another department to work as paralegals and hiring a new real-estate transactional attorney and dispute attorney, SEI reduced its outside counsel spend for the real estate transactional part of the work by 68 percent year over year.

SEI’s Delgado-Jenkins Retires



SEI Executive Vice President and Chief Merchandising Officer Jesus Delgado-Jenkins recently announced his retirement, saying he wants to spend more time with his family, reported *CSNews Online*. Delgado-Jenkins joined SEI in 2010 as senior

vice president of merchandising and logistics after SEI acquired his MHC Convenience business, which operated 16 Mother Hubbard’s Cupboard convenience stores. Since he joined SEI, the company has significantly improved its new product innovation, including hundreds of exclusive, new-to-market, national brand products. Delgado-Jenkins credited these innovations to the creativity and passion of his teams and supplier partners, the article stated.

Study On Frequent C-Store Customers

Frequent convenience store customers, defined as 28 percent of fuel purchasers who shop “daily” or “multiple times per week” at a c-store, are more likely to hold favorable opinions of their local store, as well as respond positively to new products and foodservice offers, according to a new NACS report, “Three Insights on Frequent Convenience Store Customers.” By contrast, rare shoppers are defined as the 37 percent of fuel purchasers who shop a convenience store either “less than once or twice per month” or “never.” These consumers may view a convenience store as a place for fuel only, and may have an unfavorable perception of the convenience store industry overall.

The report also reveals several broad insights relating to frequent convenience store shoppers: they drive significantly more per week than rare shoppers; they

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Fuel brand 76 recently launched Mobile Pay in Los Angeles, a new payment feature in its My 76 app that allows customers to pay both at the pump or in-store on their mobile devices. The company said it will roll out Mobile Pay regionally throughout the year. • **Electrify America announced that it will be installing ultra-fast electric vehicle chargers at more than 100 retail, convenience and refueling locations** across the U.S., including Sheetz, Inc., Casey’s General Stores Inc., and Global Partners LP’s Alltown. • **Employees at a Burgerville store in Portland, Oregon recently voted to become the first officially recognized fast-food workers union in the country**, reported NACS Online. The Burgerville Workers Union is now set to start negotiations with management and hopes to raise hourly employee wages \$5 an hour. • According to a new survey by Adtaxi, **66 percent of respondents make an online purchase at least once a month** and over half (52 percent) of ecommerce shoppers spend as much, or more, of their dollars online than in-store. • **Wawa recently opened its 800th store**, located in Wilmington, Delaware, reported ABC-6 News Philadelphia. The Pennsylvania-based convenience chain said it plans to open 50 stores this year throughout the mid-Atlantic and Florida. • **Walmart has ended its Mobile Scan & Go program**, which it launched in around 150 locations, after it proved too confusing for many shoppers, reported the *Chicago Tribune*. The technology allowed shoppers to scan and pay using a handheld device or smartphone. • **Starbucks recently closed more than 8,000 of its company-owned stores** to give employees classes on how to avoid the kind of racial bias that many say led to the arrests of two

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IT’S GOING TO BE A SNAPPY SUMMER



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prefer fuel quality over price compared to rare shoppers; and they can be encouraged to change buying behavior to save money; and they are open to new technologies.

Foodservice Driving Growth

U.S. convenience stores experienced a 15th straight year of record in-store sales, powered by foodservice—a broad category that mostly includes prepared food (69 percent of both category sales and profits) but also commissary foods and hot, cold and frozen dispensed beverages, reveals NACS State of the Industry data. Foodservice sales overall in 2017 were \$53.3 billion, accounting for 22.5 percent of in-store sales in 2017 and 33.9 percent of gross profit dollars. The category also was the biggest differentiator in terms of profits: top-quartile performers had prepared food sales that were 3.6

“Foodservice sales overall in 2017 were 33.9 percent of gross profit dollars.”

times greater than bottom-quartile stores; and coffee sales at top performers were 5.2 times greater than those of the bottom quartile.

Ex-Franchisee Sues Attorneys

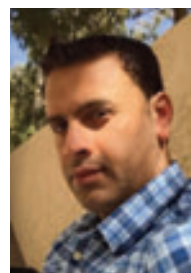
After three years of litigation with SEI, former 7-Eleven franchisee Karamjeet Sodhi has sued his lead counsel and law firm—Gerald A. Marks and Marks & Klein, LLP—for malpractice, alleging the attorneys placed their own financial interests above his and did not live up to their fiduciary obligation to protect him

as a client, reported BlueMauMau.com. In 2013, Sodhi was served by SEI with a notice of material breach and termination, as well as a lawsuit. Sodhi defended his business against the accusations and filed a counterclaim for damages, and retained Gerald Marks of Marks & Klein, LLP to represent him. The case ultimately ended with the U.S. District Court of New Jersey granting SEI's motion for summary judgment and Sodhi being stripped of his stores.

Dollar General Increasing Food Offerings

With consumables a steady sales driver, Dollar General Corp. is pushing ahead with plans to boost their food and beverage offerings, reported *Supermarket News*. Dollar General saw consumables

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SOME STEPS TO IMPROVE THE FRANCHISOR/FRANCHISEE RELATIONSHIP

By Kiranjot Singh, Secretary, San Diego FOA

If the culture fits both parties, and if both parties are committed to a common goal, the relationship will be good, and success has a chance.

COMMUNICATION—Communication is an essential part of every business. The franchisor/franchisee relationship needs to have excellent communication because a misunderstanding can lead to a potential loss of revenue. The franchisor must view themselves and the franchisees as one team—think “we” instead of “us and them”—and the best way to build that mindset is through open communication.

TRANSPARENCY—The full, accurate, and timely disclosure of information.

RELATIONSHIP—Each day, pick up the phone and call at

least one franchise you haven't spoken to in a while. Ask how they're doing, how their family is, and what else your team could be doing to support their business.

PROFIT—As a business owner, your take-home income will ultimately come out of your business's net profit or “bottom line.” While the gross sales/gross revenue of

any business (commonly referred to as “top line revenue”) may seem impressive, it is critical to understand the profit margin of the business is the percentage of the money left over after all business expenses are paid. The profit split between franchisor and franchisee has to be balanced to benefit both parties.

HONESTY—It is perhaps the most important principle of leadership and dependent on integrity because it demands truthfulness and honesty. Many companies and organizations fail because they don't follow the reality principle. Integrity means telling the truth even if the truth is ugly. **AV**

“THE BEST WAY TO BUILD A TEAM OF FRANCHISEES IS THROUGH OPEN COMMUNICATION.”



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sales rise 10.6 percent to \$4.77 billion for its fiscal 2018 first quarter ended May 4. In reporting its quarterly results, the company said this growth helped fuel a 9 percent gain in total sales to \$6.1 billion and lift same-store sales by 2.1 percent. Dollar General is also rolling out Good & Smart, a new private label the company said will represent about 75 percent of the better-for-you product portfolio. In fiscal 2018, Dollar General plans to open 900 new stores, remodel 1,000 mature stores and relocate about 100 stores. In upgrading its store base, Dollar General also plans to focus on remodeling locations with fewer than 12 cooler doors.

Seven-Eleven Japan Focusing On Healthy Foods

Seven-Eleven Japan recently started placing stickers on products meeting the company's health standards, one of which includes using at least half the daily recommended amount of vegetables, reported the *Japan Times*. Currently, about 10 products don the label, including onigiri rice balls. Seven & I Holdings hopes to add more items, such as noodles and hot pots, to their healthy product lineup.

The move comes as convenience store operators in Japan focus more on selling healthy bento meals and prepared foods using plenty of vegetables or fewer food additives. With increases in double-income and elderly households that prefer prepared meals as opposed to home-cooked fare, companies hope to

"Dollar General saw consumables sales rise 10.6 percent for its fiscal 2018 first quarter, which ended May."

shed the unhealthy image of convenience store bento and encourage families to enjoy such food without worry.

Amazon Slashes Whole Foods Prices

Whole Foods recently debuted a much-anticipated loyalty program that offers special discounts to Amazon Prime customers, including 10 percent off hundreds of sale items and rotating weekly specials such as \$10 per pound off wild-caught halibut steaks, reported Reuters. Those perks are available now at 121 Whole Foods Market stores across 12 states and Whole Foods 365 stores nationwide. Amazon previously announced free two-hour delivery from

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Play The Name Game!

Look carefully at each page in this issue. Somewhere in this magazine a line is hidden that contains the words \$Name Game Winner + person's name + city\$. If you find this line, and it contains your name, call AVANTI's Offices at 215 750-0178 before the next magazine is published, and win this issue's total. NCASEF Members only.

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African-American men for occupying a table without making a purchase, reported *Good Morning America*. • **Anheuser-Busch plans to order up to 800 hydrogen-powered semi trucks from Nikola Motors**, reported Fox News. Nikola's trucks use a hydrogen-powered fuel cell to generate electricity that will allow them to drive 1,200 miles per fill-up. • **By 2050 there will be more plastic—by weight—in the ocean, than fish**, according to the Wildlife Conservation Society. • **Americans say that higher gas prices won't limit their driving this summer, but higher prices could affect their discretionary spending**, according to the latest NACS Consumer Fuels Survey findings. Only 11 percent said they would drive less, while 34 percent of fuel consumers said they will eat out less and 22 percent said they will likely spend less on typical household purchases. • **The Federal Communications Commission approved its largest fine ever—\$120 million—against a Miami, Florida man** who was found to have placed 96.8 million fraudulent robocalls for vacation deals, reported *USA Today*. • **The global chocolate confectionery market size was valued at \$123.7 billion** in 2016 and is expected to grow at a CAGR of 2.5 percent between 2018 and 2025, according to a new study by Grand View Research. • **C-store chain Cumberland Farms recently launched its Summer of SmartPay Sweepstakes, with a grand prize of free gasoline for one year**. From June 1st through August 31st, customers who pay with SmartPay Check-Link at the pump or in-store will automatically be entered into the contest. • **Nestle has agreed to pay Starbucks Corp. \$7.15 billion in a deal to sell Starbucks' coffee worldwide**, reported *Bloomberg*. The rights deal also allows Nestle to sell coffee and tea products including soluble coffee and individual pods, while all of the packaging will retain Starbucks' branding. • **According to a new AAA survey, 20 percent**

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Legislative Update

New California Ruling Defines Independent Contractors

The California Supreme Court has issued a landmark decision that makes it harder for employers to classify their workers as independent contractors, reported the *Los Angeles Times*. The ruling came in a class-action lawsuit against package and document delivery company Dynamex Operations West Inc., which charged that Dynamex misclassified its delivery drivers as independent contractors rather than employees. To classify someone as an independent contractor, the court said, businesses must show that the worker is free from the control and direction of the employer; performs work that is outside the hirer's core business; and customarily engages in "an independently established trade, occupation or business." The unanimous decision has implications for the growing gig economy—such as Uber, Lyft and other app-driven services—but it could extend to nearly every employment sector in the state.

The court also said a worker may be denied the status of employee "only if the worker is the type of traditional independent contractor—such as an independent plumber or electrician—who would not reasonably have been viewed as working in the hiring business." The court offered examples: A plumber temporarily hired by a store to repair a leak or an electrician to install a line would be an independent contractor. But a seamstress who works at home to make dresses for a clothing manufacturer from cloth and patterns supplied by the company, would be an employee. The article states that the ruling did not resolve the

Dynamex case, but defined independent contractors for lower courts that are grappling with the dispute.

Philadelphia Considers Scheduling Law

Lawmakers in Philadelphia have recently introduced a bill that would provide retail and fast food employees a more predictable work schedule, reported the *Philadelphia Inquirer*. The measure would require retail employers to give at least two weeks' notice of schedules, offer

hours to existing employees when they become available instead of hiring new employees at a lower rate, and pay employees when shifts are canceled. The bill is similar to what other cities and states have passed. In a statement, the Greater Philadelphia Chamber of Commerce said this legislation would ultimately hurt Philadelphians by lowering the number of jobs in the city. It criticized the bill's "one size fits all approach," saying that it would result in employers being less flexible with employees.

San Franciscans Approve Flavored Tobacco Ban

San Francisco residents on June 5 voted overwhelmingly to ban flavored tobacco products, including menthol cigarettes and vape liquids, reported the *San Francisco Examiner*. Proposition E, which was placed on the ballot by the Board of Supervisors, was approved by 69

percent of voters, according to the Department of Elections. City supervisors last year unanimously approved a ban on the

products, but the tobacco industry funded a referendum, Proposition E, to put the issue before voters instead.

Proponents of Proposition E—which include the American Heart Association, the American Cancer Society, the San Francisco Marin Medical Society, among others—allege flavored tobacco is used to target children as future customers. Opponents say the law will hurt small businesses that depend on anchor products like flavored tobacco and vaping liquids, and like other prohibition measures would likely create black markets.

C-Stores Fight Illinois Smoking Age Bill

A bill on its way to Illinois Gov. Bruce Rauner's desk would raise the legal age for purchasing tobacco and nicotine products from 18 to 21 statewide, a move praised by public health advocates and opposed by convenience stores and other Illinois retailers, reported the *Chicago Tribune*. While anti-smoking advocates argue the bill would prevent teens from developing lifelong nicotine addictions, convenience store operators and vape shop owners say it would drive younger customers to the

continued on page 24

"To classify someone as an independent contractor, the court said, businesses must show that the worker is free from the control and direction of the employer; performs work that is outside the hirer's core business; and customarily engages in 'an independently established trade, occupation or business.'"



"SAN FRANCISCO RESIDENTS ON JUNE 5 VOTED OVERWHELMINGLY TO BAN FLAVORED TOBACCO PRODUCTS, INCLUDING MENTHOL CIGARETTES AND VAPE LIQUIDS."



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Legislative Update

black market, online or to neighboring states. Chicago and 23 other Illinois localities have raised the smoking age to 21 in recent years. The Illinois Department of Revenue estimates raising the legal age for purchasing tobacco products to 21 would decrease cigarette and sales tax receipts statewide by \$41 million to \$48 million in the first year.

Pack Cigs In NYC Rises Now \$13

New York City is once again home to the most expensive cigarettes in the nation, reported *Spectrum News NY1*. As of June 1, the new base price for a pack of smokes has gone up from \$10.50 to \$13. City officials said they believe the increase will prevent new smokers from picking up the habit and en-

courage current smokers to quit or cut back. The Health Department claims the number of young smokers declined by about 70 percent between 2001 and 2017. The administration of Mayor Bill de Blasio hopes to reduce the number of smokers in New York City to 160,000 by 2020. Last August, Mayor de Blasio signed into law several bills targeting tobacco.

C-Stores Get E-Cigarette Warning Letters

The Food and Drug Administration (FDA) recently sent officials into retail establishments to uncover illegal sales of electronic cigarettes to minors as part of their efforts to tackle

"AS OF JUNE 1, THE NEW BASE PRICE FOR A PACK OF SMOKES HAS GONE UP FROM \$10.50 TO \$13."

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Don't Roll the Dice on Your Workers' Compensation

Did you know...

- Robberies are on the rise! Make sure you and your staff are clear on security procedures. Maybe a monthly review makes sense?
- Over 75% of franchisees' claim expenses are related to slip and falls, both inside and outside the store. Make sure your floors are dry, and remove ice and any obstructions from your walkways.
- Reporting claims as fast as possible helps reduce the cost. On average, 30% of franchisee claims are filed two weeks or more after they occur. Report your claims as soon as possible so we can start to work them immediately!

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We know how hard you work to make your store profitable. We work very hard at keeping your insurance costs as low as possible. The biggest part of your insurance premium covers loss expense—when losses go up, premiums go up!



GET SOME PAYROLL RELIEF WITH THE WOTC PROGRAM

By Bill Huffman, Vice President, South, Greater Oregon FOA

Stressed about the cost of payroll? Here is a strategy that can put money back into your pocket: participate in the Work Opportunity Tax Credit program!

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment. The WOTC helps these targeted workers move from economic dependency into self-sufficiency as they earn a steady income and become contributing taxpayers, while participating employers are able to reduce their income tax liability.

How large is the tax credit? The maximum tax credit ranges from \$1,200 to \$9,600 per employee, depending on the employee hired. Employers can hire eligible employees from the following target groups for the WOTC:

"The maximum tax credit ranges from **\$1,200 TO \$9,600 PER EMPLOYEE**, depending on the employee hired. There is **NO CHARGE** for applications that do not result in a credit."

- Unemployed Veterans (including disabled veterans)
- Temporary Assistance for Needy Families (TANF) Recipients
- Food Stamp (SNAP) Recipients
- Designated Community Residents (living in Empowerment Zones or Rural Renewal Counties)
- Vocational Rehabilitation Referred Individuals
- Ex-Felons
- Supplemental Security Income Recipients

• Summer Youth Employees (living in Empowerment Zones)

• Qualified Long-Term Unemployment Recipients

7-Eleven, Inc. has contracted with Synergi Partners to handle the administration of this program.

Shamika White is our account representative and she can be reached at swhite@synergipartners.com.

To get started, you need to fill out a power of attorney, available in the ISP, and send it to Synergi. Then, within 28 days of hiring a new employee, send Synergi a Federal Form 8850 and a tax credit questionnaire (both available on your ISP). They will process and forward the application to the appropriate state agency. When the credit has been processed and returned to Synergi, it will be forwarded to you. When you do your federal taxes, this credit may be deducted from the Federal Income Tax that you owe the IRS. Synergi charges 10 percent of the money it finds for you. There is no charge for applications that do not result in a credit.

This is a program that may lower your tax bill by thousands of dollars a year. Today, less than 10 percent of franchisees are utilizing this federal program. As the minimum wage continues to increase throughout the country, this program can help reduce your expense line. It takes about one minute of your time per employee and I encourage you to send in the form for every new employee, regardless of their economic status. **AV**



BILL HUFFMAN
CAN BE REACHED AT
541-269-0884 OR
BHUFFMAN1949@GMAIL.COM

Come One, Come All To Celebrate Franchisee Unity!

FRANCHISEES

ARE the
Brand

Online registration to the NCASEF 43rd Annual Convention & Trade Show is now open for franchisees and vendors! Running from July 23 to 26 at the luxurious Gaylord Palms Resort and Convention Center in Orlando Florida, this stellar event includes free tickets to Universal Studios, great seminars, a blowout trade show featuring great new products and deals from our valued vendor, a 2018 BMW 320i raffle giveaway and other fabulous prizes, and many social events sprinkled in between!

Franchisees: Enjoy a low registration fee of \$49 per person and hotel rate of \$99 per night!

Vendors: Increase sales with your 7-Eleven customers and network with the largest c-store buying group in the country! Sign up as a Major Sponsor for more exposure throughout the convention!

**Visit NCASEF.com
and sign up today!**



Register Online NOW
for the NCASEF
Convention & Trade Show
www.ncasef.com



Schedule of Events

MONDAY, JULY 23

12:00 p.m. – 5:00 p.m.
Franchisee and Vendor
Registration
Location: Sun Ballroom Foyer

7:00 p.m. – 9:00 p.m.
Opening Reception With Live
Music and Hors d'Oeuvres
Location: Sun Ballroom

TUESDAY, JULY 24

9:00 a.m. – 5:00 p.m.
Franchisee and Vendor
Registration
Location: Sun Ballroom Foyer

8:00 a.m. – 9:00 a.m.
Continental Breakfast
Location: Sun Ballroom

8:00 a.m. – 5:00 p.m.
Trade Show Vendor Setup
Location: Exhibit Halls A/B

9:00 a.m. – 6:00 p.m.
A Day at Universal Studios

7:00 p.m. – 11:00 p.m.
Charity Night Gala
Cocktail Reception, Silent
and Live Auctions, Dinner,
DJ Entertainment
Location: Sun Ballroom

WEDNESDAY, JULY 25

8:00 a.m. – 9:00 a.m.
Continental Breakfast
Location: Sun Ballroom

9:00 a.m. – 10:00 a.m.
State of the Coalition Address
Jay Singh, Chairman,
NCASEF and Executive
Officers

10:00 a.m. – 11:00 a.m.
Vendor Panel
Location: Sun Ballroom

11:00 a.m. – 4:00 p.m.
"Franchisees ARE the Brand"
Trade Show

Participate to receive entries
to the multi-prize raffle,
including the BMW 320i
grand prize giveaway!
Location: Exhibit Halls A/B

THURSDAY, JULY 26

8:00 a.m. – 9:00 a.m.
Continental Breakfast
Location: Sun Ballroom

9:00 a.m. – 1:00 p.m.
Franchisee and Vendor
Registration
Location: Sun Ballroom Foyer

9:00 a.m. – 10:00 a.m.
Department of Homeland
Security Presentation
I-9 Compliance and Hiring
Location: Sun Ballroom

10:00 a.m. – 11:00 a.m.
Legal Forum with NCASEF
General Counsel Eric Karp
Location: Sun Ballroom

11:00 a.m. – 4:00 p.m.
"Franchisees ARE the Brand"
Trade Show

Participate to receive entries
to the multi-prize raffle,
including the BMW 320i
grand prize giveaway!
Location: Exhibit Halls A/B

6:00 p.m. – 7:00 p.m.
Cocktail Reception
Location: Sun Ballroom

7:00 p.m. – 10:00 p.m.
Grand Banquet
Raffle Grand Prize Winners
To Be Announced!
Location: Sun Ballroom

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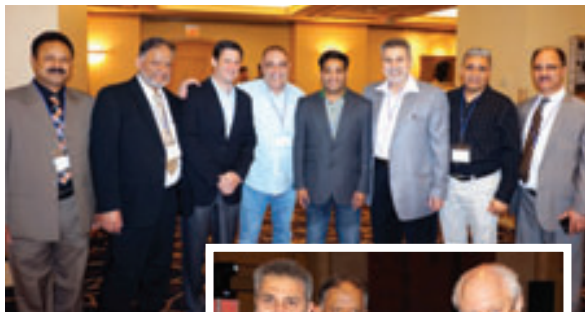
The Delaware Valley FOA held its first trade show after many years on April 4, 2018 at Caesars Atlantic City in New Jersey, and it was a resounding success! The event not only attracted a record-breaking number of franchisees and exhibiting vendors, but several of the NCASEF officers, a prominent Philadelphia councilman and the city's chief election commissioner.

Free hotel rooms were provided to franchisees, and the trade show was followed by a big banquet with a band and Indian dancers. The event also featured door prizes and a raffle giveaway, so no one left empty handed. Raffles prizes included fifty \$50 gift cards and cash prizes of \$250, \$500 and \$1,000.

Philadelphia Councilman Al Taubenberg and Philadelphia Chief Election Commissioner Lisa Deeley proudly presented Small Business Gold Leadership Awards on behalf of the DVFOA to NCASEF Chairman Jatinder Singh, NCASEF Executive Vice Chairman Michael Jorgenson, and NCASEF Vice Chairman Rehan Hashmi. DVFOA Vice President Bilal Barqawi was also recognized by the Board of Directors with a Small Business Excellence Award, presented by Councilman Taubenberg and Hon. Lisa Deeley. They also presented a Small Business Platinum Leadership Award to Serge Haitayan for his efforts in fairness in business practices. DVFOA President Manzoor Chughtai, Secretary Peter Patel, and Treasurer Vincent Emmanuel were also honored by the Board of Directors for their service and commitment to franchisees.

Councilman Al Taubenberg was a small businessman before being elected, and talked about sympathizing with small business people. He offered his support to the group in legislative matters. Treasurer Vincent Emmanuel, who works alongside Councilman Taubenberg in City Hall, serves as the franchisee advocate on issues affecting small businesspeople. Chief Election Commissioner Lisa Deeley spoke about the importance of getting to know your local politicians.

The Board of the Delaware Valley FOA would like to thank Vice President Bilal Barqawi for organizing such a success trade show. They would also like to thank Councilman Al Taubenberg and Chief Election Commissioner Lisa Deeley for participating, as well as all franchisees for attending and especially the wonderful vendor community for their continued support of the FOA.



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TruMoo® Protein Cookies 'N Cream - 14 oz ESL



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7E SLIN: 151217 Fresh



TruMoo® Chocolate Whole Milk - 16 oz Fresh



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7E SLIN: 150053 Fresh





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FOAs—The Backbone Of The Franchisee Community

BY JAY SINGH, CHAIRMAN, NCASEF

7-Eleven Franchise Owner's Associations began forming in 1972, when 7-Eleven was in its infancy, and the world was ripe for franchising and for convenience stores in general. All was pretty right with the world, because everyone was making money, testing new ideas and essentially creating a new system as the company grew.

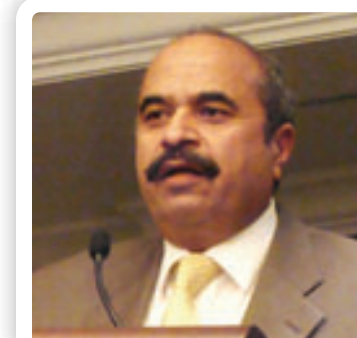
Today we have more competition, and a changing marketplace where online ordering and quick delivery are as much a challenge to our businesses as Wawa, Quick Trip and Circle K. I'm not saying this is a bad thing, but I am saying that for franchisees, there was strength and promise in unity then, and there is strength and promise in unity now.

As franchisees of the largest convenience store chain in the U.S., we are proud to represent our brand to our customers, our communities and our vendor partners who provide the products we so happily sell in our stores. But running a convenience store is no longer an easy business, and 7-Eleven is no longer the family-owned company it was in the 1980s. To talk with corporate, to talk to our legislatures, and to represent our businesses to our communities, just like in the old days, we still stand a better chance of having our voices heard if we speak united as a group.

For 7-Eleven franchisees, our Franchise Owner's Associations (FOAs)

serve as meeting places for the minds of many small business-

men, and as centralized forums to address the day-to-day issues franchisees face. FOA members provide feedback on systemic practices and procedures, and suggest ways to improve the system to 7-Eleven, but we also work with our local communities, on behalf of franchisees, to the benefit of all. As brand ambassadors of 7-Eleven we create a positive vibe in our communities as we work with local lawmakers, po-



“As franchisees of the largest convenience store chain in the U.S., we are proud to represent our brand to our customers, our communities and our vendor partners.”

lice, schools, and local charities. That is what local FOAs do. Individually, franchisees also contribute, but we accomplish much more as a group.

The National Coalition's 43 FOA members across the country have great relationships with their local po-



“We stand a better chance of having our voices heard if we speak united as a group.”

lice departments, lawmakers, bureaucrats, schools and local members of the vendor community. I even had a congressman, while campaigning, work in my store. At my FOA's local trade show, we used to give one free booth to each political party to create a good relationship with politicians to enhance the brand.

The truth of it is that franchisees feel more engaged in their local communities because they have invested time and money in their stores. They live in the area and their kids attend the local schools. This helps to increase the visibility and value of our brand.

Being a leader in a local FOA, or on the head table of the National Coalition means sometimes taking risks on behalf of your members. When an FOA leader brings a franchisee concern to the notice of SEI local management or Dallas headquarters, it is human nature for the franchisee and for the local official to be defensive of their positions.

This is why it is important for FOA leaders to be on the NBLC, the CEO Roundtable, and any other committees where our elected leaders can provide feedback to corporate. If SEI chose FOA leaders to be on those committees, then they are really bringing in the people who are duly elected by their franchisee membership to represent them. Every Board member is elected

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by their general membership. If SEI includes FOA leaders, it is a true representation and they will get more accurate feedback.

Some franchisees just don't want to become FOA members. Maybe they don't know the system well, or maybe there is not a positive approach by the FOA on the local level. Perhaps in the past FOA Board members did not address the franchisee's concerns or didn't explain the benefits of membership. But whether they are members of an FOA or not, they are franchisees and I am a firm believer that local FOAs and National Coalition leadership should

help all franchisees. I encourage all franchisees to join their local FOA, and I long for the day when we have 100 percent participation.

As long as we are on the topic of franchisee unity, I would like to invite all of you to attend the NCASEF's 43rd Annual Convention and Trade Show, "Franchisees ARE The Brand," in Orlando, Florida from July 23 to 26. It's going to be a great event. The registration fee—\$49 per person—is the lowest in Coalition history. The venue—the beautiful Gaylord Palms—is also subsidized, and will be just \$99 per night. You will get breakfasts, lunches and

"I encourage all franchisees to join their local FOA, and I long for the day when we have 100 percent participation."

dinners, as well as a ticket to Universal Studios for each attendee. You will have a chance to mingle with fellow franchisees, attend informative sessions, and see new products and great deals at the two-day trade show. Our convention and trade show is a great family destination, and it is a business expense that can be partially deducted on your tax return.

We expect this to be the best-attended National Coalition convention ever! I hope to see you all there. **AV**

"Being a leader in a local FOA or on the head table of the National Coalition means sometimes taking risks on behalf of your members."

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The Perfect Storm

BY MICHAEL JORGENSEN, EXECUTIVE VICE CHAIRMAN, NCASEF

We are in the middle of a perfect storm. Or, as Thomas Paine wrote in *The Crisis*, “These are the times that try men’s souls.” This is certainly a very challenging time for our industry, and for our individual businesses. The environment is changing more than ever before, and the effects of increased competition, low unemployment, wage hikes, shrinking GP and declining customer counts are affecting our bottom lines.

Franchisees are under a tremendous amount of pressure today and are already investing additional resources in order to react to the current business environment. We are all aware that brick and mortar businesses are in a fight for survival with the advent of the digital age, online ordering, on-demand delivery and autonomous devices. As a result, the 7-Eleven brand is challenged every day to transform to meet changing consumer demands and expectations.

Complicating matters, we are not only fighting these outside pressures but we have also been engaged in an internal conflict. Franchisees for the last several years have held out hope that relief would come in the form of

adjustments in the upcoming 2019 Franchise Agreement. The NCASEF leadership and Board of Directors, which encompasses all 86 FOA Presidents and Vice Presidents, plus six NCASEF officers, took a brave and difficult stand to support a lawsuit and drive attention to the concerns within the franchise community we felt were not being adequately addressed. (All of the speculation will be put to rest by the time you read this article, when

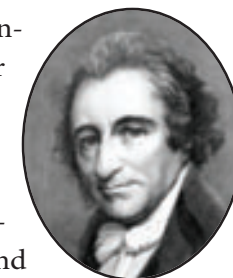


“Franchisees for the last several years have held out hope that relief would come in the form of adjustments in the upcoming 2019 Franchise Agreement.”

the new franchise agreement is unveiled in early June.)

With the dismissal of this lawsuit, and while the appeal is underway, we are left with a very difficult relationship with corporate. We are all concerned that being cut off from any working relationship with SEI management is affecting our ability to help our franchisee constituents. Of course this is true, but we remain confident that we can continue to represent all

franchisees’ best interests for a better tomorrow. We also continue to remain ready and willing to re-engage with SEI and work towards a successful resolution to our current situation.



“These are the times that try men’s souls.”

—Thomas Paine

7-Eleven is not alone in this trying business environment. A number of franchise systems currently are in turmoil. Subway and Tim Horton’s are the two that are garnering the most headlines, and we can learn a lot from the current situations within these iconic brands. We still have hope we can avoid rising to the level of franchisee discontent that exists in those

franchise systems, but we must open the lines of communication and begin to rebuild trust.

Franchisee unity and “the Brand” have been the words most frequently used in communications by franchisees and SEI. In order to win we need to combine these words: “7-Eleven Franchisees unified behind the Brand.” We DO share the same goal—profitable stores and a vibrant

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The Perfect Storm

continued from page 37

brand. Regardless of our differences we must find a way to work together. Both parties need to be willing to reengage in an effort to find solutions to our many challenges in order to attain our goals.

In view of our current relationship with corporate all I can say is that franchisee

“With the dismissal of this lawsuit, and while the appeal is underway, we are left with a very difficult relationship with corporate.”

leaders always must do what they believe is best for the system and for franchisees. Let’s hope that now we can rebuild trust, be-

“Regardless of our differences we must find a way to work together. Both parties need to be willing to reengage in an effort to find solutions to our many challenges in order to attain our goals.”

cause we have no choice but to work together to succeed. **AV**

MICHAEL JORGENSEN

CAN BE REACHED AT
JORGENSEN.NCASEF@GMAIL.COM OR 347-251-1828

continued from page 20

of Americans—or 50 million people—said they are likely to buy an electric car for their next new vehicle. This number is up from 15 percent last year. • GasBuddy now allows consumers to pay for fuel with the GasBuddy app at all Love’s Travel Stops locations across 41 states in the U.S. GasBuddy said it is currently working to expand mobile payments with other fuel retailers, and expects to see feature usability in 20 percent of the nation’s gas stations by the end of 2018. • A California Chick-Fil-A owner increased some employee’s hourly wages to \$18 and is offering benefits like paid time off to others, reported WSB-TV. The franchisee said he made the move to attract and retain employees looking for long-term opportunities. • Ford Motor Co. is planning to phase out all of



continued on page 42

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Ultimate Party Cake



Resolution Of Outlaw Laboratory Claims

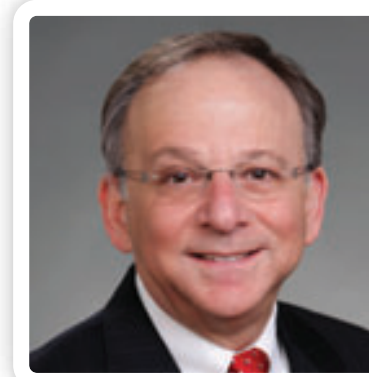
ERIC H. KARP, ESQ., GENERAL COUNSEL TO NCASEF

Over the last several months, a large number of franchisees—354 to be exact—have received demand letters from the California-based law firm, Tauler Smith, LLP, stating that it represents Outlaw Laboratory, LP, the manufacturer, distributor and retailer of sexual enhancement products commonly known as Tri-Steel and TriSteel 8 Hour. Outlaw Laboratory claims, without ever having produced any evidence to us, that these products are all-natural and do not have any hidden drugs or ingredients. The demand letters allege that sexual enhancement products manufactured by many other companies do contain hidden drugs or ingredients, which in some cases may actually be harmful to consumers.

The demand letters claimed that the franchisees that sold these products had engaged in false advertising in violation of a federal statute. Attached to these demand letters were photographs of the stores that have been shopped by representatives of Outlaw Laboratory, receipts for sexual enhancement products apparently purchased at the stores and a draft complaint in which Tauler Smith threatened to file in federal court against the franchisee unless he or she settled the claim. That is to say, the claim was that the packaging for these products did not disclose the hidden ingredient, which in many cases was the active ingredient in Viagra. However, there was no way for the

franchisee to know if the packaging for these products, or any other products of any kind sold in the store, were not accurate. That packaging is designed, manufactured and affixed to the product by the seller and never by the franchisee.

On behalf of these franchisees we had stated the following uncontested facts: the franchisees did not know and had no reason to know that any of the enhancement products in question contained hidden or undisclosed ingredients,



that the packaging was in any way misleading or incomplete, or that any of the products in question were the subject of any Public Notification by the United States Food and Drug Administration. In addition, to the extent that any franchisee sold any such product, the franchisee did not create, review or approve the packaging that accompanied the products and thus they did not engage in any advertis-

“Over 350 7-Eleven franchisees have received demand letters from the California-based law firm, Tauler Smith, LLP stating they had sold male enhancement products containing hidden ingredients.”

ing at all. In addition, to the extent that any of these products were the subject of a Public Notification, this was not an action by a government agency to ban the sale of products, only to advise consumers not to buy them. In short, none of the franchisees who sold any of these products did anything wrong.

In most cases, the demand letters received by franchisees offered to settle the claims for a one-time payment of \$14,000. Over a period of several months, we were able to negotiate a global resolution of these claims, which is strictly voluntary to any franchisee that received a demand letter. If the franchisee wishes to resolve this matter, the franchisee must do the following:

1. Complete and sign a form of Global Agreement of Compromise, Settlement and Mutual General Release (the Settlement Agreement);
2. Pay to Tauler Smith, LLP the sum of \$2,500; and
3. Submit to Tauler Smith, LLP copies of invoices or statements reflecting their

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Resolution Of Outlaw Laboratory Claims

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purchase of sexual enhancement products within the previous 12 months.

In the Settlement Agreement, the franchisee is not admitting to any wrongdoing or liability with respect to the sexual enhancement products and facts on which the franchisee would rely in defending any such claim, are also recited in the Settlement Agreement.

As part of the resolution, we agreed to provide to Tauler Smith a list of all the product distributors that have been identified by franchisees. We did not disclose which franchisees purchased what products from which distributors.

An explanatory email and a copy of the Settlement Agreement was sent last month to all FOA presidents and all franchisees who provided to us a copy of the demand letter they had received from Tauler Smith. If you have received a demand letter, but you have not yet been given an opportunity to review the Settlement Agreement, please email me at ekarp@wkwrlaw.com and I'll be happy to send you a copy.

Any franchisee considering the execution of the Settlement Agreement is encouraged to seek advice counsel from their own attorney.

Please understand that this settlement is strictly on an opt-in basis and is therefore completely voluntary to the franchisee. We do know that Tauler Smith has filed at least 5 Federal Court lawsuits against sellers of sexual enhancement products that they say contain hidden in-

“Over a period of several months, we were able to negotiate a global resolution of these claims, which is strictly voluntary to any franchisee that received a demand letter.”

gredients. But as far as we can determine, as of the date of this writing, none of these lawsuits so far have been filed against a 7-Eleven franchisee.

What the franchisee receives in return for entering into this settlement is a certainty of result, the expenditure of far less money than you would spend defending a lawsuit, and an assurance that Outlaw Laboratory will not pursue them in the future, unless there are future sales of sexual enhancement products that are on the FDA Public Notification List. You can access that list here: <https://www.fda.gov/Drugs/ResourcesForYou/Consumers/BuyingUsingMedicineSafely/MedicationHealthFraud/ucm234539.htm>

We are pleased that we were able to negotiate what we think is a common sense resolution of these claims. If you have any questions regarding the Settlement Agreement, you can direct those to your FOA president or to me. **AV**

ERIC H. KARP
CAN BE REACHED AT
617-423-7250
ekarp@wkwrlaw.com

“What the franchisee receives in return for entering into this settlement is a certainty of result, the expenditure of far less money than you would spend defending a lawsuit.”



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its traditional sedans except for the Mustang and upcoming Focus Active crossover in the North American market so it can focus on SUVs and trucks, reported NPR. The company said the decision was made due to declining consumer demand and product profitability. • **Walmart is implementing several new measures to combat the opioid epidemic, chief among them a new policy that limits new prescriptions to a seven-day supply,** reported the *Orlando Sentinel*. Walmart will also require electronic prescriptions for controlled substances starting January 1, 2020 because they're less likely to be altered and copied. • As part of its push into cleaner energy sources, BP recently invested \$20 million in Israel's **StoreDot, a start-up that claims its batteries can charge electric cars in five minutes,** reported CNBC. • QuikTrip Corp. has bought at least \$10 million worth of land in the San Antonio area as the c-store chain makes a major expansion into the Central and South Texas, reported the *San Antonio Express-News*. **QuikTrip plans to add about 60 stores in San Antonio and 40 in Austin** with a few stores sprinkled in between the two cities along Interstate 35. • **Despite all the buzz and excitement, mobile payment in stores still hasn't gained much steam in the U.S.,** reported *Yahoo Finance*. Mobile transactions barely accounted for \$1 out of every \$100 spent in stores last year, and the percentage is expected to reach just 3.4 percent by 2022. • New research by mobile app company Ibotta reveals that **weekends are the most expensive time to shop for food, regardless of U.S. region.** Ibotta recommends shopping on weekdays to save money, like buying bread and beer on Wednesdays, sweets and snacks on Thursdays, and produce and ice cream on Fridays. • **A severe shortage of truckers is pushing up freight costs and, in turn, nudging up retail prices,** reported *USA*

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IT'S TIME TO GET BACK TO BUSINESS

BY NICK BHULLAR
 VICE CHAIRMAN, NCASEF



Purchasing a franchise is in many ways like joining a family. Especially at 7-Eleven, where we get a lot of our services from our franchisor, we're dependent on each other, and our success is shared. If the brand is successful with a good reputation, guests will react positively and shop at our stores. Likewise, if franchisees—the street presence of the brand—act positively as the brand's representatives, it will reflect positively on the brand and increase guest acceptance. If the brand falters, or franchisees don't keep up with the business, the brand's reputation suffers.

We know that all families have disagreements. It's a part of life. If we can find ways to both handle disagreements and express our frustration, we can move forward and continue our relationships. And as we move forward, we must learn to communicate once again with our franchisor, because we need them and they need us. The National Coalition represents more than three-fourths of the franchisees in the system (our members), and we have the elected officers of 43 independent franchise owners' groups sitting collectively on the National's Board of Directors. It's the nature of leadership that leaders sometimes have to take chances, and this is the chance the national's Board took to express the frustration of franchisees.

Now we need a new starting point. It's a family business, and our family needs to communicate to solve our issues and to live up to the expectations of our customers. It is a fact that the national franchisee leadership changes every two to three years, and SEI management changes, but the brand can't wait, and we need to think about the brand. If the brand is successful, then franchisees will be successful and the company will be successful. If we keep fighting, don't communicate, and don't listen to each other, the brand will struggle.

We have a responsibility now to construct a new level of communication, because competition is getting tougher and tougher each year. Big and beautiful competitive stores are being built all around us, and ordering freshly made food on smartphone apps is becoming almost commonplace. The marketplace doesn't have the memory of the past that franchisees

"It is time for franchisees and management to check our egos at the door, and expect the kind of commitment it takes to maintain our number one ranking. We need to think about the brand."

do, because consumers constantly want new, bigger, better, and faster, which we have to strive to provide.

We have all seen the recent decline in sales in other brand franchises. As a result of which, many other franchises that were once in the 'top franchise' list, are now non-profitable and in continuous decline in terms of sales and number of stores. Without the commitment of

"ESPECIALLY AT 7-ELEVEN, WHERE WE GET A LOT OF OUR SERVICES FROM OUR FRANCHISOR, WE'RE DEPENDENT ON EACH OTHER."

franchisees that could be our fate, accelerated by our older stores, the consolidation of the c-store industry, and the fast-rising minimum wage.

It's now time to revisit the communications plan, and it's time for franchisees to stand up and provide the kind of honest, quality feedback that only comes from elected franchisee leaders working with management at a high level. Both sides need to reach out to make this work. If we can make this work we can move the system forward together. If we have communication we can change anything.

More importantly, it's time to get back to business. Competition is running up our backs, and we have so many issues to deal with—new legislation, new regulations, higher minimum wage—that we need each other more than ever before. We have to get back to working together as a family. Franchisee leaders should be able to help our members when they have problems. We've been to the edge, and now it's time to step back and work together for the benefit of the brand against the competition. If we can't help our member franchisees fix their problems, then what good are we? We need to be able to talk to corporate to accomplish that. **AV**



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Core-Mark #: 439896	Core-Mark #: 439898
7-11 SLIN: 242999	7-11 SLIN: 243003

FRUIT FUSION	GRAPE
Item No. 68121	Item No. 68120
McLane UIN: 852897	McLane UIN: 850867
Core-Mark #: 439897	Core-Mark #: 439900
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LEADERSHIP...WHEN IT REALLY COUNTS

BY TERRY HUTCHISON
Vice President, South Florida FOA

We all have a story to tell. In both our personal and professional lives, we have experiences that would provide more than enough opportunity to fill volumes of books. Some of our individual stories might read like a comedy, some would be like a drama and, perhaps for others, more like a mystery.

Our stories are all different in the details. Nevertheless, for those of us who are 7-Eleven franchisees, we have similarities in terms of being leaders. We provide leadership to our store teams. Our store teams provide different levels of leadership to other employees as we execute the wide range of work it takes to successfully run a 7-Eleven store.

How we manifest leadership to those who rely upon us is important. This includes our family, our employees, our teammates and the numerous business partners who are also stakeholders in our success. The way we respond to challenges as leaders, matters.

“THE INTENSITY OF WORK NECESSARY TO MEET OUR CUSTOMERS’ NEEDS HAS INCREASED DRAMATICALLY AS WE HAVE GROWN FOOD SALES AS A PERCENTAGE OF OVERALL MERCHANDISE SALES.”

Another common challenge is the failure of your store team in maintaining the high standards it takes to execute brand excellence. This usually starts with those not consistently executing job assignments, which then places a tremendous amount of stress on others. This stress is then compounded exponentially when the weaknesses are documented, placing you on notice that changes need to be made.

What are some of the challenges a 7-Eleven franchisee might encounter that will test your leadership? There are many! In Florida, we are now entering another hurricane season. The last one to hit us was Irma, just last year. We suffered financially in many ways and the stress it inflicted on everyone in our community was significant. Events caused by disaster, social unrest, or supply disruption can put your leadership in the spotlight.

I am originally from Oklahoma. My single mom moved from there to San Bernardino, California when I was close to four years old and placed me for adoption when I was five. I had a new family, a totally new name and, in just a short amount of time, we moved to Oklahoma where I grew up. My childhood was probably very similar to yours—school, sports, friends and so many other experiences. I had opportunities to get involved in organizations at school, church and the community in general. These provided my first life-experiences in leadership responsibilities.

As I matured, I came to learn about a famous Oklahoman named Will Rogers. He was a stage and motion picture actor, vaudeville performer, American cowboy, humorist, newspaper columnist and social commentator. Although he had passed from this life in 1935, I came to appreciate what he left behind. Will Rogers often spoke on leadership and there is no question that he made me smile. Even now, I often draw upon his common sense and wit to help me through difficult situations.

Over the past few years, we have experienced significant changes in our business. Several competitors have effectively transitioned into the made-to-order food business (or some variation thereof) while developing a gasoline-pricing model that attempts to place them consistently at or near the bottom of the market. The density and intensity of work-product necessary to meet our customers’ needs has increased dramatically as we have grown our food sales as a percentage of overall merchandise sales.

Technology improvements have helped us and we are on the cusp of driving incremental foot traffic through even more innovative ideas, which we hope will provide us with a



“HOW WE MANIFEST LEADERSHIP TO THOSE WHO RELY UPON US IS IMPORTANT.”

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differentiating factor in our favor. We clearly don't have the newest, largest stores in our market areas; nevertheless, when faced with competitors who do, we can effectively counterpunch by delivering the absolutely best service in a clean, well-stocked store with items our customers want.

I believe "best service" expectations are already changing to include what I call "App-titude," which means we are able to effectively serve the wired-up, cell phone carrying, #-tagged, Face-book-connected generation by meeting them in their space. I think our partner, SEI, is working hard to get us there in a big way. If we are successful, it can be a game-changer.

This comes at a time when we are needing to heal our relationships with our brand-partner. It's time for all of us to focus on growing our business well beyond what has been historical growth trends. How successful we are in accomplishing this will depend on our individual leadership. My old friend Will Rogers said, "Even if you are on the right track, you'll get run over if you just sit there."

There are five things we can do as leaders in taking our business to the next level:

1. Build Confidence: Make smart decisions as a franchisee. Our people are truly our greatest asset. We all recognize we can't run our stores alone. Your store team seeks stability in your words and actions. Control your fears and provide the confident direction your people need from you. This is especially valuable when faced with disaster or other

"WE HAVE A RESPONSIBILITY TO PROVIDE THE BEST LEADERSHIP POSSIBLE NO MATTER WHAT IS BEING THROWN OUR WAY. IT'S PART OF BEING A GOOD BUSINESS OWNER."

difficult situations we don't usually face day-to-day.

2. Show Understanding and Appreciation: Serving the public in one of our stores is a tough job. I love it and it can be fun. Make sure your people clearly know that you value their contribution. Remember the basic leadership best practices such as praising people in public for jobs well done. If redirection, counseling or reprimand is

needed, seek a private space. Respect is something everyone deserves.

3. Introduce Stability: People's minds are changed through observation, not argument. Let your people see you have their best interests at heart. Stability on a store team can be greatly enhanced by something as simple as job assignments. It's not easy ensuring that each team member is properly completing their portion of the job assignment. Nevertheless, when it finally happens, you will see the effectiveness of teamwork in your results.

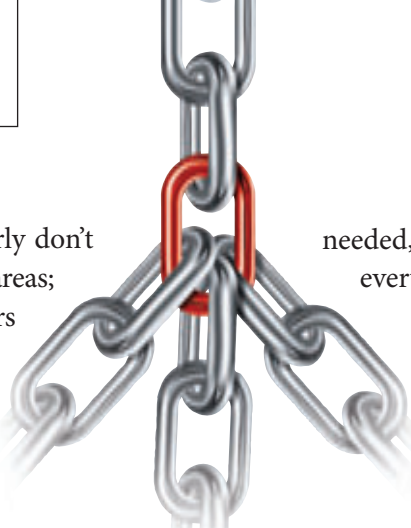
Stability is also achieved through effective communication. The key word is "effective." Your message has to be clearly understood by everyone on your team and,

you should verify it. Failure to do so can end up in disaster. A good example is the phone scams we often experience in our stores. If we miss the new employee on the overnight shift, or the second shift employee really didn't understand that someone might call and pretend to be from our Information Services Department, then we have failed.

4. Be Positive: Live in such a way that you would not be ashamed to sell your parrot to the town gossip. We can all find things to complain about, but seriously, why waste the energy? A good leader won't simply walk away from processes and problems having a negative impact on the business. Instead, find a way to channel the negative into something that will improve the situation. This can be as easy as documenting the problem in detail, along with a suggested solution and sending it to those who can make a difference. Do it in the right spirit. Eventually, your thoughtful consideration will make a difference.

5. Be a good franchisee, in good times and bad. We will always have external influences that seem to divert our attention from that which is important to our success. This can be anything from dealing with a major hurricane such as Irma, road construction, new competition opening up just down the street, working with someone new in an oversight position, failing equipment and the list goes on and on. We have a responsibility to provide the best leadership possible no matter what is being thrown our way. It's part of being a good business owner. Don't let yesterday use up too much of today! **AV**

"YOUR STORE TEAM SEEKS STABILITY IN YOUR WORDS AND ACTIONS, ESPECIALLY WHEN FACED WITH DISASTER OR OTHER DIFFICULT SITUATIONS WE DON'T USUALLY FACE DAY-TO-DAY."



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Presidents' Reports

Every Franchise Owner's Association is offered the opportunity to submit a President's Report for this feature of *Avanti*. President's Reports are an opportunity for your FOA president to tell franchisee members from other parts of the country what issues your FOA is talking about, what events your FOA is celebrating, and what concerns and opportunities are foremost in franchisees' minds.

At the NCASEF Board Meeting in Puerto Rico, May 9-10, 2018 the main topic of discussion among most members was the dismissal of the lawsuit brought by four franchisee members and supported by the National Coalition. Board members wanted to know why the suit was dismissed, why it was brought in the first place, and if there was going to be an appeal. Members voiced concerns about getting back to business with 7-Eleven, Inc. and the ability to get back to talking to Zone and local management. **AV**

FOA of Greater Los Angeles

KATHY YORK, PRESIDENT

We had a slight sales increase during the first two months of 2018. The cigarette sales tax went up \$2 per pack last year, and there were many price changes done to offset the minimum wage increase, but it is not enough. GP% is about 37, but we need to be over 40 percent to offset the minimum wage increase. Gross profit on cigarettes has fallen to about 13 percent.

We had a very informative meeting with U.S. Immigration recently and the officer reviewed with us how to complete I9s and told us what Homeland Security can and cannot do when entering our stores to conduct an audit. I would recommend all California stores take advantage of this meeting with an Immigration representative. Call me if you would like contact information.

In April we began holding a President's meeting again that includes six local FOA

presidents. We will meet monthly to address current concerns and work on solutions. The new agreement and minimum wage increase is of great concerns to California franchisees. Our Zone is beginning to do more remodels this year. I believe they have been scaled down, but vault and curb appeal will be addressed.



NCASEF Chairman Jay Singh.

New England FOA

DENNIS LANE, PRESIDENT

May in New England and the Greater Boston area was wet with temperatures well below normal. Fifty percent of the Memorial Day weekend was a washout. Most stores are struggling. We are cycling against huge numbers last year lead by the sale of Spinners.

Minimum wage in Massachusetts is \$11 per hour, and finding, hiring and keeping good help is a challenge.

Other challenges include many cities and towns in New England banning blunt wraps, cigarillos and flavors, and changing the age to purchase tobacco to 21. The entire Commonwealth of Massachusetts will be at 21 on January 1, 2019. The one bright side of the tobacco sector is that Juul is providing phenomenal growth in that category. There are concerns in many school systems about under-age students vaping. The FDA has become aggressive with compliance checks. Encourage all of your members to ID! Finally, there are a lot of concerns about the 2019 Agreement.

San Diego FOA

BIC SIDHU, VICE PRESIDENT

Franchisee morale in San Diego has been low. The continuous increase in expenses and wages, declining Gross Profit Percentage, and the upcoming 2019 agreement are the key causes of low morale. SEI has introduced a new program for franchisees starting June 1st to get emerald status and receive \$1,000. The issue being stated is that if the store achieves emerald status and doesn't increase 5 percent in Gross Profit, it will not get the \$1,000. We will better dis-

cuss and analyze this program at our FOA meetings in July.

On May 24 we held and celebrated our 25th Annual Charity Golf Tournament at the River Walk Golf Club in San Diego. It was well attended by franchisees and our vendor partners. We also had representation by our National leadership, the Southern California FOA and FOAGLA.

Columbia Pacific FOA

HARBHAJAN GHOTRA, PRESIDENT

The Columbia Pacific FOA will be holding an election this month to elect a new Board. The current Board members' terms will expire on June 30. The Board has made the decision to uphold the bylaws—and according to the bylaws, an election must be held every two years. We look forward to seeing new faces join our Board. Elections give us the opportunity to enact change through appointing new leaders who bring different perspectives to the issues franchisees face today. We welcome this change and are excited about the positive ways this will affect us all.

The franchisees in Oregon and Southwest Washington are facing greater worries due to the rising costs of doing business and decreasing income. Although we are apprehensive about the future, we are optimistic in believing that the incoming warm summer weather, as well as the power of the 7-Eleven brand, will help us get through this difficult time.



NCASEF Treasurer Jas Dhillon.



NCASEF Executive Vice Chairman Michael Jorgensen.

Lastly, the CPFOA's annual Holiday Party will be on November 30 at The Hilton, located at 301 W 6th St., Vancouver WA. The contact person for this event is Stan Singh, and he can be reached at gingle2u@hotmail.com or 360-513-0289.

Alliance Of 7-Eleven Franchisees FOA

SAJID AHMED, PRESIDENT

The Alliance of 7-Eleven Franchisees reviewed issues such as increased competition, gas price changes, gross income support and low volume stores at our most recent Board of Directors meeting.

Gas stores and donut chains have recently opened in proximity of Alliance members' stores, and others have been very recently remodeled. Other retail outlets, such as liquor stores, have also affected profitability.



NCASEF General Counsel Eric Karp.



NCASEF Vice Chairman Rehan Hashmi.

Alliance Board members also discussed the effect of the new contract on low volume stores, and whether the start dates for gross income support might be adjusted to start at the beginning of the year, which is typically a slower sales period. Gas price changes were mentioned as well. Although the changes were set up for 24 hours, in many cases it can take as long as 48 hours, which can affect sales.

Ron Bomkamp, Heartland Zone DVP, and Alliance Board members discussed the issues in detail at a subsequent meeting. Bomkamp promised to look into these franchisee concerns and respond soon.

Greater Oregon FOA

NAEEM KHAN, PRESIDENT

In April we had our second annual trade show. It was very successful; we had more vendors than last year and over 120 franchisees and store employees attended. We had excellent feedback from the vendor community.

We are having a meeting with ICE to give information on the correct way to do I9s, and how the audit process works. We are looking forward to our golf tournament on August 16. All franchisees are welcome to enjoy the summer in Oregon. Please

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contact President Naeem Khan at 503-516-3483 for more information if you would like to attend our tournament.

Texas FOA
RAJ SINGH, PRESIDENT

We had a very successful trade show on May 23, 2018. Almost 70 vendors participated and over 200 franchisees attended. On May 24, 2018, we had our golf outing and all of the proceeds went to benefit Swim Across America. We had about 100 players. Michael Jorgensen attended our trade show and he spoke with franchisees. We raised approximately the same amount as last year—\$25,000.

In June, the Lone Star Zone anticipates very strong sales, with the biggest growth coming from Powerade. Texas is the number one Zone in the country driving sales in Powerade.

At our upcoming Board meeting we will be addressing franchisee issues with our Zone leader, Randy Quinn. We have a good relationship with our Zone leader. He listens to our concerns and we have a great relationship with him and his team.



Southern California FOA President Paul Lobana.



New England FOA President Dennis Lane.

Washington DC
FOA

MARK CHIOCHANKITMUN, PRESIDENT

Approximately three years ago, the Washington, D.C. minimum wage was \$8.75 an hour. On July 1, 2018 the Washington, D.C. minimum wage will be \$13.50 an hour. Encroachment also has been an issue for franchisees as many sites selected by former SEI Real Estate Management threatened existing stores. Many of our franchisees have been really affected by encroachment.

The Wawa convenience store chain is making a presence in Washington, D.C. and has announced plans to open 12 more locations in our area over the next few years. This is fierce competition for us. Our mini flash mob issue has not gotten worse; however, it has not been better either, so it's still bad!

Our morale has been at our lowest and we hope it can't get any worse. The 2019 Agreement will be out around the first week of June 2018 and we can only hope for the best.

On a positive note, in the Liberty Zone—which includes Washington, D.C.—we have been blessed with a great former Zone Leader and current Zone Leader who are willing to work with FOA leaders toward the same goals. We will be getting 50 stores remodeled. The focus of the remodeling, beside the better store appearance, will be putting in new equipment to attract millennial customers,



NCASEF officers with FOAC franchisee Hashim Syed, center, who is retiring from the system.

“The focus of Washington, D.C.’s remodeling will be new equipment to attract millennial customers.”

along with other platforms like bake in store. Fried chicken is also being added to gain and improve franchisee net profitability and to remain relevant to our customers. Most importantly, the SEI system must provide an avenue for franchisees to make enough income to support their families.

This is my last President Report, unless our fellow franchisees can support their families working in their stores with their lifetime investment into the SEI franchise system. I wish everyone well.

Sacramento
Valley FOA

JAY BRAR, PRESIDENT

Layers of anxiety, apprehension, and mystery have blanketed area franchisees after the announcement of the forthcoming 2019 Franchise Agreement. There has been lots of speculation surrounding this. SEI staff in this area is, indeed, handling it very diligently by keeping a close and warm relationship with the local FOA leadership. Although only time will tell the real outcome of the Agreement, franchisees are carefully walking the thin line.

On a positive front, SEI is investing in area stores by making significant changes to the infrastructure in order to enhance the likability, appeal, and appearance of the stores.

Everyone knows that the landscape of the convenience industry has changed above and beyond, but the question remains: What is next for the

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Midwest FOA Board Member Joe Rossi.



UFOLINY Vice President Basit Kurshid.

already "busy bee" franchisees? Many members of the Sacramento Valley FOA, in order to get a pleasant break from their daily busy schedule, are eager to attend the Orlando Convention and Trade Show hosted by NCASEF with their family members in July. Oh Thank Heaven, we have the National Coalition!

Baltimore FOA

BARBARA GRAHAM, PRESIDENT

Summer has finally arrived in the Baltimore area. It has been a long winter and just like everyone across the country, we did not have the great growth from Spinners this year. At our last Board meeting we talked about growing sales and profits in our stores to offset the higher wages we are paying. Franchisees expressed concerns about the difficulty of finding labor. The most talked about topic was the new contract. By the time this article is printed we will have seen the new contract and will have our answers.

Metro New Jersey FOA

HARI PATEL, PRESIDENT

In the past year we have seen most stores lose customer counts and experience declining sales. This is due in part to the weather, which has been colder and unpredictable. We have seen the Trump effect in urban areas where we have a high rate of Hispanic guests. The uncertainty of immigration policies has worried our guests. Increased competition between Wawa, Quick Chek and other 7-Elevens has also not helped sales. Franchisees are making less and less every year, while the cost of doing business is increasing every year.

Newly elected Democratic Governor Phil Murphy has promised certain changes to the law, which can highly impact the way we do business. He wants to legalize marijuana, raise the minimum wage to \$15 per hour, make community college free, protect the Dreamers, mandate earned sick leave, and fight gender pay discrimination. While some of these might help our business, the biggest one that will definitely impact franchisees in New Jersey will be the \$15 minimum wage. This will leave us no other option than raising prices in our stores and cutting staff, which might bring the quality of service down for our guests.

Zone Update: Recently, we have seen a restructure of field consultants. It seems FCs are being given more stores than they can handle. This is putting pressure on them, as they cannot spend enough time at the store. We have some FCs who have close to 13 stores. We are hoping for another restructure where we can get back to 8-9 stores per FC. It would be better for business, as well as for the FCs.

Metro NJ FOA Update: Our FOA has been on a roll in regards to adding more stores to our group. We have created a WhatsApp group for franchisees where they can share issues, concerns and get answers faster than

they can from their FC. Our goal is to bring all franchisees together and make them feel like they are family members.

We all have issues with running our businesses, and FOA meetings are a great place to meet with other franchisees to talk about it. Our FOA meetings in the past four quarters have been very successful. At our last meeting we hosted 190+ attendees. We have been able to provide our FOA members with more guidance and knowledge.



Greater Seattle FOA President Ajinder Handa.

This year we took our trade show back to Atlantic City, and we targeted at least 50+ vendors. This year we also decided to give free hotel rooms to our FOA members so they can stay after attending the trade show. Last year's Holiday Party was also a huge success, even though the weather wasn't favorable. We had around 100+ gifts that we raffled off and our franchisees were happy to support our vendors.

South Nevada/Las Vegas FOA

KEVIN LUCERO, PRESIDENT

March sales for Market 1607 are slightly up \$5.67 a day, and slightly down -\$6.66 a day for Market 1607. Average GP for 1607 is at 35.76, and 34.48 for 1608. The Southwest Zone average for March was 35.72 percent. Guest counts continued to decline by -22 in Market 1607, -13 in Market 1608, and -36 for the Zone.

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The weather has been warm this spring, and we are looking for a hot season that should boost sales. Construction is booming once again in the city, so we are hopeful to see an increase in sales at our stores due to this vigorous building activity.

We have had a push on toys for this quarter and the coming quarter to help boost sales, as we are challenged by last year's big numbers from the Spinners. We are trying to find the next big thing or a collection of decent movers to keep pace with last year's sales.

Our Board has been very active with our Market Manager on merchandising. We have had several meetings and feel we have been productive in working together to make some changes at a local level that will improve sales and GP. They have been open to suggestions, and we are optimistic that these meetings will be productive and bear fruit for both franchisees and SEI.

We had our Annual Trade Show on May 23 and it was a successful event. We had close to 50 vendors participate, and had a slight increase in franchisee attendance. Our Charity Golf Tournament was fun and successful, as well. We were able to support and two charities—Swim Across America and St. Jude's Ranch—with this event. We thank our National Chairman Jay Singh for coming out and supporting us at both events. It was good to have him with us for a few days.

To encourage our local franchisees to attend the NCASEF Convention, our Board is offering to pay for two nights hotel and the registration fee (\$250 total) to those who attend our next General Meeting, register for the Convention there, and follow through by attending in Orlando.

We are proud to say local franchisees donated \$10,900—and SEI matched that amount, for a total of \$20,800—to a local Clark County School Grant that our Market Manager, Cassie Ruppard, spearheaded. SEI and FOA members presented our local law enforcement with 21,000 small Slurpee coupons recently. This was part of Operation Chill, which has been very successful over many years in having local law enforcement reach out to youngsters in our area by reward-

ing them with Slurpees for good behavior and deeds. It is a positive reinforcement for our brand and community.

Last but not least, our amazing hockey team the Golden Knights has energized our city. They made it all the way to the Stanley Cup in their inaugural year. We had a local franchisee come up with the idea of a Golden Knights donut. SEI agreed, and we worked together to develop a pastry product to celebrate our team. It took on a life of its own when a local radio station got wind of this and it was determined that these were the lucky donuts that were propelling the team to victories throughout the playoffs. The station was buying some and handing



MISG Risk Engineering Consultant John Harp.

San Francisco/ Monterey Bay FOA

ANN SEKHON, PRESIDENT

San Francisco's tobacco ban vote was at the top of our list of concerns, yet San Francisco residents voted on June 5 to uphold the city's ban on flavored cigars and menthol cigarettes. This is for all flavored tobacco and menthols. On July 1, 2018, flavored cigars and menthol will be sold in tobacco shops only. Other stores that sell 60 percent tobacco and no alcohol will also be allowed to sell it. 7-Elevens in Oakland won't be able to sell flavored tobacco products or menthol cigarettes. They will go to the smoke shops, and the smoke shops can't sell food. California approved marijuana, but they can't get over tobacco, apparently.

them out to listeners during a few home games. Dozens more donuts were donated by our vendor Carl's Donuts and we got some great free press out of it—for our stores and Carl's. Go Knights Go!

Berkley wants to become tobacco free and only sell all tobacco from smoke shops. California has tried to ban all tobacco. Our lawmakers even had a bill in the California Senate in a committee, but it didn't get out of there, so that's not going to happen.

During the month of May we had very cold weather. We didn't see any hot days. Some stores are down double digits compared to last year.

We recently had our Rally For Success meeting to try to figure out ways to improve sales. They are talking about cleaning up the stores, staying in stock, and providing better service. Finding proper labor also is becoming a serious issue in the Bay Area due to the high cost of living and low unemployment rates. The average home in the Bay Area costs over \$1 million.

We are gearing up for the 100 Days of Summer, but the weather hasn't agreed. Hopefully, we'll have good weather soon. We recently had a very successful trade show. Our next event is September 10, 2018 at the Castlewood Country Club, which will be a golf tournament benefiting the MDA. Our Holiday Party will be held on December 7, 2018.

In our Board meetings we talk mostly about labor issues. Everyone has them—stores, vendors and everyone else. We are looking for ways to stay in stock and prepare ahead for holidays. Buying from recommended vendors was another issue. With the Rhino pill issue, we stressed not to carry the male enhancement pills. Our relationship with local SEI management is good and they are working with us.

Greater Seattle FOA

AJ HANDA, PRESIDENT

The minimum wage in our area increased to \$15.45 per hour as of January 1. Besides using various ways to survive—such as raising SRP, tightening up labor hours, and working extra hours themselves—many franchisees are already on the verge of turning their stores over to SEI.

On March 29, the Greater Seattle FOA and Pacific Northwest FOA held a joint trade

continued next page



Juul Labs representative Jordan Nicgorski.

continued from previous page

show. This event was a huge success—we had a great turnout of 67 vendors and 129 stores. This would not have been possible without help from the franchise community. It really gave all of us a great sense of achievement by seeing most franchisees remaining at the venue until the end. It was quite apparent we all had a great time. Exuberance was exhibited by many of the franchisees attending the event, who also supported the vendors by way of aggressive ordering. These became the hallmarks of our success. Each vendor left with a promise to come back and support us not only for our next trade show, but also every event that both FOAs organize.

Sales have been very flat in Washington State this year, and bad weather is a major factor. Currently, our two Markets are up by 2 percent.

Delaware Valley FOA

MANZOOR CHUGHTAI, PRESIDENT

At our last Board meeting the main issues we talked about were the 2019 Agreement, the cigarette permit and a new restriction on tobacco licenses. We now have to buy a new cigarette permit in addition to the state license. In addition, the city of Philadelphia has passed a new law that if your store is within 500 feet of a school, you will not be able to transfer your tobacco license if you sell your store. The new owner will have to apply for his own tobacco license, and Philadelphia is making it very difficult to obtain one. If there are 1,000 people in a neighborhood, they will issue



Mark Gramlich discussed Swim Across America Charity.

only one cigarette license. Right now, they are on every corner, in every market, in every convenience store. They want to cut down on the number of licenses in the city. This will make selling your store to another franchisee close to impossible.

Delaware Valley franchisees were at a City Council hearing recently to discuss this issue with our Philadelphia lawmakers. We educated them on how this new law will affect our stores, but we still have some work to do. We talked to eight Council members and we are going back to talk to the rest of them. We

“At most meetings our Board talks about labor issues, because everybody has them.”

have about nine Council members in our favor who would vote to drop the new law. Our DVFOA Vice President Bilal Barqawi, Board member Vince Emmanuel, our market manager Janice, some local Philadelphia franchisees and myself were there. The Philadelphia Health commissioner was also there. He called the mayor and the mayor told him not to make a decision yet and to compromise. I don't know what that compromise will look like. He was suggesting allowing storeowners to sell their business one time and the license would transfer once. We said no, we don't want that condition. We are waiting and they have postponed the decision until September.



Joe Saraceno FOA President Matt Mattu.

We had a successful trade show in Atlantic City with about 50 members attending. We had a nice dinner of Indian and American food, a DJ and about 50 prizes, including cash prizes of \$1,000, \$500 and \$250. People left with a full bag of goodies. It was a great event.

After losing the lawsuit against SEI, right now, everyone is shocked. We will have another meeting in the beginning in July. Our members are upset. 7-Eleven is trying to buy out the old franchisees. Gross profit is down, we are not making money in some stores and SEI is offering to sell our stores for us. They say we are grandfathered into the 50 percent of the franchisee fee back. That's what they are doing in our market—they are buying out franchisees. That's a hot topic.

We are struggling with sales. The market is down and the weather isn't helping. Gross profits are down. City stores are okay with the gross profit, but suburban stores are struggling at the 25-27 percent GP rate. Cigarette sales are down. Everyone is selling at the minimum in the suburban areas and we are down about 7 percent in the suburban stores.

Joe Saraceno FOA

MATT MATTU, PRESIDENT

At every meeting and at every social gathering the franchisees are crying out for help so that they can continue to keep their stores open for business. The main topics of discussions are:

- The graduated gross profit split is a killer in high volume stores—the more the sales go up,

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the less we take home, if anything at all. This formula must be adjusted.

- Non-24 hour stores: Franchisees should not be charged for every hour the store is closed if this is a landlord or city requirement.
- The minimum wage has doubled and there is no compensation from 7-Eleven. The majority of the stores have gone into custom pricing to raise the GP, but this option may confuse our customers as we are not uniform from store-to-store and we may start losing customers as a result. The local license fees and trash fees have doubled.
- Accounting: When we call Accounting we are on hold for more than half hour at a time and it is very frustrating to hear that they can not resolve the issue. Now we hear that the Accounting Department may be through a third party. This may cause bigger problems like we are having with the maintenance company and the franchisees end up paying additional charges.
- Audit companies are still not accurate with our audits and we have to cycle count the whole store again to get the "I" accurate.

My sincere hope is that SEI will review the above factors affecting our bottom lines so we can continue to engage in our communities and grow our store sales without being penalized by GGP, and stand united as proud franchisees of 7-Eleven.

Greater Bay FOA

MANJIT PUREWAL, PRESIDENT

Lately, the only topic of conversation has been the new contract. The psyche of

the franchisee is filled with uncertainty. With the current landscape, franchisees face labor shortages and increased labor costs. In our FOA and some demographics it is hard to find people to work for \$16. The key is the growth of our business in line with the pay scale.

Regulations on tobacco are killing us. I think SEI needs to focus on those issues. Who can survive without a tobacco license? If you sell your store you can't transfer the tobacco license. I think SEI needs to adjust to the times.

"So why am I a 7-Eleven Franchisee? Because I love what I do and I love brand 7-Eleven."

As we speak, the new contract is coming out. I feel that the company wants to promote the brand name and they will come out with a reasonable contract, which is a win-win situation for SEI and franchisees. I got into the system over three decades ago. At that time, the veteran franchisees were getting out saying that the best times were over. Now the next generation is saying the same thing. Some of that is perspective (psyche) rather than reality. At times, we all have to change. I'm not saying that SEI is wrong, but I believe some of the aspects of the contract are harsh. We haven't seen the contract

yet, so this is only what we've heard through the grapevine. I hope they'll see the difficulties that franchisees face—labor shortages, increased costs, regulations. I am trying to approach this new contract with an open mind. I'm taking my franchisee hat off to analyze it on neutral ground.

I think in the last 30 years, we are going through one of the best economies that I've seen. I feel that when the economy is booming, the small businesses suffer. It may be booming for corporations, but small businesses can't compete. Large stores are poaching our employees. If you pay \$11, they'll pay \$15 with benefits. We can't compete in that environment. That's where I think SEI needs to step in. As a franchisee, I can simply tell them what franchisees need to survive.

Good things are happening. There are system changes and apps and online functionalities that are digitally enabling franchisees to better run their stores. Scanning lottery is much easier. These efforts are appreciated by the franchisees.

Our trade show was excellent. For the last five years the Central Valley, Greater Bay and Northern California FOAs have combined to deliver one big trade show, which was held on March 23. It was a great event. It's a fun thing where franchisees get together. I miss that SEI does not attend. We had our golf event for charity on May 21. We do it for the Hume Center, which helps the underserved, mentally disabled and people with brain injuries to live a healthy lifestyle.

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Greater Seattle FOA Vice President Chandar Shekhar.



UFO of North Florida and Palm Beach Ed Denorio.



Texas FOA President Raj Singh.

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Going forward, we are going to have our Holiday Party on December 7. We are moving the venue to where we hold the golf outing, Hiddenbrooke Golf Course. We give up to five scholarships to worthy students that are children of our employees.

Sometimes with these headwinds, franchisees get discouraged. But at the last RI meeting I attended, our Zone manager gave a speech that worked me up. When your team is losing and you huddle around your coach, and he encourages you to go out there and do your best and you score the goal—this is how I felt after that Zone manager speech. The morale of the franchise community is down and I was feeling down that day. But when our zone manager spoke for a few minutes, I felt lifted up and encouraged. I felt, “Let’s go out and score.” That’s how I feel about the whole SEI and franchise community. We can go out and win. We need to be realistic and work together in earnest.

U.F.O. Of North Florida & Palm Beach

ED DENORIO, PRESIDENT

7-Eleven makes business decisions, and franchisees make business decisions. We made a business decision last October to pursue legal action against the company and after some time the judge dismissed our case. It wasn’t that franchisees were against the company. Conversely, when the company makes decisions, it’s not that it’s against the franchisees. They are all just simple business decisions that are made to support the concept of improving business. Now that the judge has spoken, we need to get back to the table and do what’s right for franchisees and the 7-Eleven system. In the long run, only the brand is going to get hurt. We need to put this behind us and get back to business.

Everyone wants to talk about the new contract. Many of the newer and younger franchisees want to remain in the system

and continue to grow and buy more stores. They want to be positive, but they have fears that the system isn’t going in the direction of growth for the franchisee. They don’t know if it is going to get worse and may have to look to other business opportunities to support their families. Franchisees want to feel like they are worth something and are an important part of the 7-Eleven business model.

It is the hope of many franchisees that our franchisor shows a little good faith and offers something that will make us feel positive about the future. 7-Eleven franchisees and their families have worked hard in their stores and have helped build the 7-Eleven

“FOA meetings are a great place to talk about issues with other franchisees.”

brand. Franchisees already are being challenged by increasing labor costs due to increasing minimum wages throughout the country. In the interest of moving forward and beginning to work together with franchisees, it would be nice to see the company go back and review what they spoke about at the town hall meetings. The new agreement doesn’t support some of the terms that were discussed in the town hall meetings. Franchisees just want a fair and balanced contract that will allow them grow within the 7-Eleven franchise system.

Let’s work together to reach new heights and common prosperity. It can be done!

Utah FOA

WALLACE IMAMURA, PRESIDENT

The Utah FOA has just completed a most successful Trade Show and Charity Golf Tournament! Many thanks to Lani Roberts—Treasurer and Trade Show Chairman; Terri Imamura—Secretary and Trade Show Regis-



Chesapeake FOA President Brett Creekmore.



Kansas City FOA President Khalid Asad.

tration; PJ Clayton—Executive Vice President/Chairman of our Wounded Veterans Charity called “Project Healing Waters;” Jason Cowley—Charity Golf Tournament Chairman/Board Member; Paul Love—Assistant Secretary/Golf Tournament Assistant; Stu Wallace—Board member/Director of FOA logo/signage; and the following Board members: Jagmohan Thind, Amitpal Singh, Push Walia Singh, and Jagdev Singh.

Special thanks to our vendor partners who believe in supporting the local Franchise Owner’s Association and providing us with innovative and relevant products to meet the ever-changing buying needs of our guests. Also, I want to thank our Southwest Zone Vice President Enid Cangialosi; former Zone Merchandiser now Market Manager Casie Ruppard; —Market Manager Russ Neilson; Market Manager Andrew Hickam; and Business Consultants for supporting our trade show in past years! It is with great regret, that due to the political environment we could not have the support and collaboration we have had in the past. I truly understand

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Baltimore FOA President Barbara Graham.



Northeast FOA President Mohammed Malik.

this position and hope for better days in the future. We cannot be successful as a brand without one another.

I would like to also thank our amazing franchisees who have joined our local FOA. Our FOA members represent 70 percent of the stores here in Utah, which is truly amazing! We are not resting on our laurels and are looking to grow our membership. As franchise owners of this iconic brand we need to work towards supporting one another, to building our businesses and sharing helpful ideas and practices. We also need to get involved in our communities with Project A Game, in local charities and in supporting our first responders. We are the face and voice of Brand 7-Eleven!

"Back to Basics" has given us a foundation to build upon. Is it enough to help us increase our customer counts and increase our profitability? In some cases yes, and in most

"We've got to come together to move forward. We won't accomplish anything if we don't."

cases no. "Brand Excellence," which has roots in Utah, is what I call the next step in the progression of "Back to Basics." It is a great program. Kudos to our Market Manager Andrew Hickam and team for their positive energy and engagement with their franchisees. The concept is good. It helped my stores to focus in on things that can increase GP% and dollars. Clean stores, focusing on quality of in-

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ventory with the right selections of product, customer engagement and leveraging 7REWARDS with our guests helps build customer loyalty and return visits. Does it guarantee an increase in customer counts and profitability? The answer is no but, it has lifted a majority of our store's sales and profits, and for once we outperformed our neighboring Market that was the control Market. Like all things, there are pros and cons.

A dear friend has reminded me that we are facing so many headwinds, such as ultra high minimum wages, declining GP, customer counts, the labor situation, and many government policies and mandates affecting our bottom line. Also, another friend reminded me that the value of our goodwill is fading away. We have more and more competition to contend with, which are customers are drawn to. They have new or newly remodeled appealing facilities. They have what I call high velocity merchandise with high gross profit attached to them. Their stores are food-friendly, by which I mean they have areas to sit and eat in the store, as well as picnic tables and covering outside the store. They have made-to-order fresh food or food that the customer has access to (self-serve) rather than having to wait on a sales associate who is most likely busy completing a customer's transaction. Also, their selection on Hot and Cold beverages is a deal maker!

So, why am I a 7-Eleven franchisee? Because I love what I do and I love brand 7-Eleven! Has it been easy and profitable in recent times? You don't need me to answer that for you—you all have been in the trenches and can answer that yourselves. I



Swisher International rep Ken Ramirez.

pray for our leaders on the NCASEF head table, as well as Mr. DePinto and his team to have a new vision to the survival of our Brand. Aloha and Mahalo Nui Loa.

South Florida FOA TERRY HUTCHISON, VICE PRESIDENT

The South Florida Franchise Owners Association held their quarterly meeting at the Bonaventure Resort in Weston, Florida on May 22, 2018. Attending were franchise owners and designees from both the east coast of Florida (Miami, Ft. Lauderdale, West Palm Beach, etc) and franchisees at the west end of Alligator Alley, which includes Naples, Ft. Myers, Cape Coral and the Charlotte county area. The association invited the Florida Zone Leader Jim Summers, whom also attended.

Presentations from vendors covered subjects such as sales performance on key, top-selling items in categories across the store assortment, as well as upcoming deals that would be offered in the summer buying season. Many Florida stores historically face declining sales volumes during the 100 Days of Summer as compared to the peak selling period, which can cover February, March, April and into May. The traditional migration of "snowbirds" is attributed to this inverted sales pattern, which differs from other parts of the United States. Snowbirds are defined as the people who consider their first home to be located in places such as Ohio, Michigan, New Jersey, New York, Pennsylvania and many

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San Diego FOA 1st Vice President Sukhminder Dhillon.



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Today. There's a shortage of 51,000 truck drivers nationwide, according to the American Trucking Associations, up from 20,000 in 2013 and 36,500 in 2016. The ATA projects the driver gap will increase to nearly 100,000 by 2021. • **Sears will be closing 72 more stores in 2018 as its same-store sales continue to decline** at a double-digit percentage rate, reported CNBC. • With demand for vacation apartments growing in Japan, **c-store chain FamilyMart has teamed with Airbnb to offer a check-in service for users of the hospitality website**, reported *NHK*. Airbnb guests are now able to pick up keys for holiday rentals from lock boxes in FamilyMart stores in Tokyo and Osaka. • **A plastic bag—like the kind given away at grocery stores—is now the deepest known piece of plastic trash**, found at a depth of 36,000 feet under the ocean inside the Mariana Trench, reported *National Geographic*. • **A new study by United Way reveals that an estimated 41 percent of New Jersey households are considered among the "working poor,"** meaning they struggle to afford basic necessities like food, healthcare, transportation and housing, reported *NJ.com*. • **Amazon Prime Now is delivering beer and wine to South Florida doorsteps**, reported the *Sun-Sentinel*. The service for Prime members offers hundreds of wine and beer products for free two-hour delivery to South Broward and Miami-Dade addresses. • **Target has announced plans to open three urban, smaller-format stores in the Seattle area over the next two years**, reported the *Seattle Times*. The new locations will be about the size of a standard supermarket and will also serve as locations to pick up orders. • **California will soon become first U.S. state to mandate solar panels on most new homes**, reported the *Orange County Register*. The California Energy Commission recently approved the new energy standards requiring most new homes to have solar panels starting in 2020. • **Coca-Cola recently launched its**

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Presidents' Reports

2nd QUARTER 2018

other points North. When the snowbirds leave their second homes based in Florida (sometime just after Easter), retailers may see their sales negatively impacted by as much as 25 percent or more.

Also covered in the quarterly meeting was information relevant to the upcoming hurricane season for Florida. Each vendor in attendance discussed the challenges they faced in keeping 7-Eleven stores supplied with product. Ice, water, propane and many other products sold out quickly, with resupply a major obstacle to maximizing sales opportunities. Vendors often simply couldn't locate the employees necessary to deliver the products, if those items were available. To complicate matters, when electricity is interrupted

during a major storm event, many vendors are not equipped with generators in order to keep their supply operations powered.

The Florida Zone Leader, Jim Summers, spoke on the advancements that are being made in the 7-Eleven business system. Included in the subject matter, he described how the 7Rewards program will provide him the ability to surgically target creative offers to guests during specific day parts. An example given was the offer of a free cup of coffee to every 7Rewards participant from a given area to our stores for a specific time period. Very powerful marketing messages that could effectively render the traditional radio/billboard/pole sign model as much less effective. Jim encouraged attending fran-

chisees to focus on the basics—clean stores, well-stocked with items sought by our customers, and friendly employees.

Franchisees heard a report from Eric Donihoo, who had attended the National Coalition meeting in Puerto Rico. There was also a presentation from Terry Hutchison that covered key statistics related to growth and business conditions in Florida. With over 900 people per day moving into Florida, the future looks very promising.

Hutchison also covered the E-Verify program, which is strongly recommended for properly screening all new employees. Use of this program is a clear sign to government entities such as ICE and the Department of Homeland Security, that the employer is properly screening new hires. The association will have representatives from the ICE Image Program in our future meeting. Participants in the Image Program can be exempt from I-9 audits for two years or more. **AV**

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NACS MEMBER SPECIAL NACS Membership Offer FOR NCASEF MEMBERS

The National Association of Convenience Stores (NACS), in partnership with the National Coalition of Associations of 7-Eleven Franchisees, for the third year in a row is offering a special membership to NCASEF members at the **reduced price of \$40**—an 80 percent discount off of the starting membership rate of \$200. The NCASEF NACS Membership Program offers industry-specific programs and services, as well as traditional association benefits to help you compete and succeed. The benefits of the special NCASEF NACS Membership Program include:

- Discounts to all NACS events.
- Discounts on all NACS training, educational, and operational products.
- Access to NACS Help Desk, an information resource that provides answers to retailer member questions and facilitates greater industry connections.
- Full voting rights as a NACS Domestic Retail member.
- Potential for consideration as NACS Board or Committee Member.



- One copy of NACS Magazine (monthly publication).
- NACS Daily News e-newsletter.
- Congressional and federal agency representation through the NACS Government Relations team.

NACS membership is available to any NCASEF member who operates a total of four (4) or less stores and is not a current member of NACS in 2018.

NCASEF members who joined NACS previously at the \$40 rate can renew based on the instructions they have received via e-mail and by mail.

To Join: Email NationalOffice@NCASEF.com and ask for the NACS Membership Application, which can be returned by email, fax or U.S. Mail.

If you have questions about NACS membership for NCASEF members, please contact VP Member Services Michael Davis, at mdavis@convenience.org or NACS Retail Membership Manager, Eboni Russell, at erussell@nacsonline.com or (703) 518-4271.



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first alcoholic drink—a lemon flavored al-copop—in Japan in a bid to tap new markets and consumers, reported BBC News. Described by Coca-Cola as “unique” in the company’s 125-year history, the three drinks range from 3 percent to 8 percent alcohol. • **Meal delivery service DoorDash has launched a partnership with Walmart to deliver groceries to customers’ doors**, reported *Bloomberg*. The test is an important step in DoorDash’s plan to branch out beyond meal delivery, which is “really a small sliver of what we’re working on,” the company said. • **Domino’s pizza chain plans to partner with American towns and cities to fix their potholes**, ostensibly to provide a smoother ride home for takeaway pizzas, reported *Fortune*. So far the company has partnered with four towns. The paved-over potholes are emblazoned with Domino’s logo and the company’s catchphrase, “Oh yes we did.” • **Saltwater Brewery, a craft microbrewery in Florida, has developed six-pack rings that can either biodegrade or serve as a snack for wildlife**, reported *The Times-Picayune*. After years of research and development, the rings—**made of wheat and barley**—are now popping up in South Florida stores. • **Wawa has jumped to number one on the list of America’s favorite fast food sandwich spots**, according to a new survey by Market Force Information. • **Authorities in Venezuela seized a plant owned by American cereal manufacturer Kellogg after the company announced it was pulling out of the country** because of the worsening economic situation, reported BBC News. President Nicolas Maduro said the factory had been handed to workers and would continue production. • **Subway plans to close roughly 500 locations across the U.S. as it expands its sandwich brand globally**, reported CNBC. In turn, Subway expects to add more than 1,000 locations worldwide, including in Mexico, the United Kingdom, China and India. • **The Seattle City**

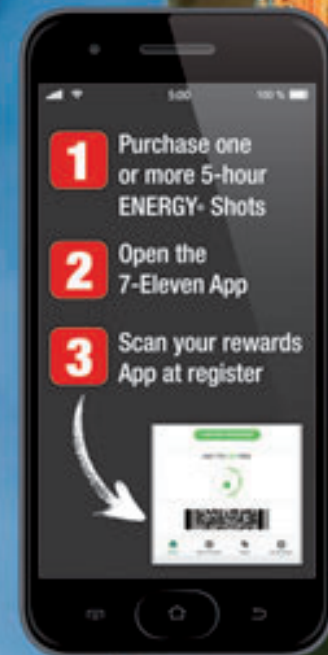
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“Amazon’s Whole Foods loyalty program for Amazon Prime customers includes 10 percent off on hundreds of sale items.”

Whole Foods stores for members of Prime, its subscription club with fast shipping and video streaming. The new loyalty strategy will test whether Amazon’s \$13.7 billion deal for Whole Foods brings much-feared disruption and an intensified price war to the \$800 billion U.S. grocery industry dominated by Walmart Inc and Kroger Co.

Beverage Sales Grow

A new study by Beverage Digest reveals that Americans spent nearly \$2 billion more on non-alcoholic beverages last year, reported *NACS Online*. Carbonated soft drinks, energy drinks and bottled water added \$1 billion in retail value to the industry’s overall \$135.7 billion in sales—up \$2.1 billion in retail value, a value increase of 1.6 percent alongside a

volume boost of 1.4 percent. The study measures the non-alcoholic ready-to-drink beverage category and breaks down retail value growth as carbonated soft drinks (+1.3 percent); water (+3.8 percent); RTD teas (+1.5 percent); and RTD coffees (+11.7 percent). Only two categories—juice/juice drinks (-0.9 percent) and sports drinks (-1.8 percent)—posted value declines.

McLane A Finalist

McLane Company, Inc. was selected as one of five finalists for Partnership for a Healthier America’s (PHA) 2018 Partner of the Year Award. PHA recognized the Partner of the Year Award finalists at their Innovating a Healthier Future Summit on May 2-4, 2018 in Washington, DC. The winner will be announced at the 2018 Fit to Celebrate Gala on September 27, 2018, also taking place in Washington, DC.

PHA’s Partner of the Year Award nominees are evaluated on the reach, innovation and positive impact of their work in populations disproportionately impacted by childhood obesity. The nominees support PHA’s mission to ensure that children and families have the opportunity to live healthier lives wherever they are. McLane Company partnered with PHA on May 16, 2016 and became the first grocery and foodservice supply chain distributor to do so.

SEJ Offering Food Home Delivery

Seven-Eleven Japan recently launched smartphone ordering for delivery, reported *Nikkei Asian Review*. The move marks a

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Council recently passed a new tax on big businesses to help address the city’s growing homelessness problem, reported the *Washington Post*. The measure imposes an annual tax of \$275 on each employee at businesses making at least \$20 million a year in revenue. • Real-estate services company NRC Realty & Capital Advisors LLC recently formed a new business unit to serve smaller clients, reported *CSP Daily News*. The unit—**NRC Small Business Solutions**—will provide real estate brokerage and financial advisory services to single-site and small chain c-store operators and fuel marketers across the country. • In a push to set itself apart from rivals, **Pizza Hut recently expanded its beer delivery test to nearly 100 restaurants in Arizona and California**, reported Reuters. More than 1,700 of Pizza Hut’s roughly 6,300 U.S. units have liquor licenses, giving the chain a potential lead over some competitors. • **McDonald’s shareholders were recently asked to consider a proposal that the chain find alternatives to plastic straws at its more than 36,000 restaurants worldwide**, reported *USA Today*. • **Starbucks’s mobile payments system, which is found in the coffee chain’s app, has more users than Apple Pay, Google Pay and Samsung Pay**, reported Recode.com. • Loblaw, one of Canada’s biggest supermarket operators, plans to sell recreational marijuana products pending legalization late this summer, reported *Marijuana Business Daily*. • **In order to make navigation easier, Google is reportedly testing a new feature in Maps that will use landmarks—including restaurants—as points of reference to give directions to a driver**, reported *Engadget*. So instead of saying “turn right at Main Street,” Google Maps will say “turn right after Burger King.” • **Coinstar announced that customers can now add cash to their Amazon Balance by using Amazon Cash at select Coinstar kiosks across the country.**

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Using Tax Savings To Keep Workers

Retailers are discovering that finding and retaining store-level workers has become more difficult, even in a strong economy with relatively low unemployment, reported *Drug Store News*. Given the tightening labor market, many retailers said they have been reinvesting their tax savings from the Tax Cuts and Jobs Act—which reduced the federal corporate tax rate from 35 percent to 21 percent—to increase their starting wages and other benefits to attract and retain workers.

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first for the convenience store sector in Japan, with Seven-Eleven looking to capitalize on food home delivery demand as online rivals such as Amazon Japan make inroads into the highly competitive field. The new service, “Net Konbini”—using the commonly shortened form of “convenience store” in Japanese—plans to reach 7-Eleven’s entire Japanese network of around 20,000 stores, following a soft launch in October 2017 at 25 stores in

“Seven-Eleven Japan is looking to capitalize on food home delivery demand as online rivals such as Amazon Japan make inroads.”

Hokkaido, in northern Japan. It plans to expand the network to 1,000 stores in Hokkaido by August 2019. The service allows users to place orders 24 hours a day, selecting a delivery address and store to choose from 2,800 available products, in-

cluding Japanese convenience store staples such as rice balls and bento lunch boxes.

Supporting Social Causes Can Boost Revenue

Small business owners who get more involved in social issues are seeing a rise in revenue because of their activism, reported the *Washington Post*. A survey of more than 1,100 consumers conducted

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Legislative Update

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the growing use of e-cigs by underage teenagers, reported *CSP Daily News*. While the operation officially began April 6, the agency said it has issued warning letters to 40 retail locations since March of this year. Most of those were c-stores, including five 7-Elevens, four Circle K sites, three Cumberland Farms locations and one Sheetz store.

The FDA has revealed a four-stage enforcement and inquiry effort to better understand the issue and crack down on the illegal sale of e-cigs to minors, which include:

- Conducting a nationwide undercover “blitz” to crack down on the sale of e-cigarettes—specifically Juul-branded products from San Francisco-based

employers should be required to offer paid sick time, reported the *Dallas Morning News*. Under the proposal, employers with 15 or fewer employees would have to give their workers at least six paid sick days a year. Larger companies would have to provide eight days. The days can roll over, but employers would have the ability to cap the available time to six or eight days. Employees would accrue one hour of paid sick time for every 30 hours of work.

After the signatures have been verified and the petition has been deemed valid, the City Secretary has 20 days to put two agenda items before the City Council. The council could simply approve the ordinance as it’s written without changes or opt to call for the election. According to the article, the activist groups are sure to face some opposition because the law would mean an additional cost for some employers.

Calorie Rule Kicks In

Calorie counts now have to be posted at thousands of restaurants, grocery stores and movie theaters, representing a milestone change in how the food industry shares information with the American public, reported *Politico*. The rule, an oft-forgotten provision of Obamacare, was pushed over the finish line by a Trump nominee, FDA Commissioner Scott Gottlieb, who said the labeling requirement is simply about transparency. The menu labeling rule means that everything from the jumbo buttery popcorn at the movies to the taquitos sold at 7-Eleven and Starbucks’ mocha grandes will have to show calorie counts right on the menu. Many restaurant chains support and are already complying with the new rule, including Dunkin’ Donuts, Starbucks, Panera and McDonald’s.

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“THE NYC HEALTH DEPARTMENT CLAIMS THE NUMBER OF YOUNG SMOKERS DECLINED BY ABOUT 70 PERCENT BETWEEN 2001 AND 2017.”

Juul Labs—to minors at both brick-and-mortar and online retailers.

- Contacting San Jose, Calif.-based eBay to raise concerns over several listings for Juul products on its website.
- Contacting manufacturers directly and will hold them accountable.
- Taking additional enforcement actions focused on companies that the FDA thinks are marketing products in ways that are misleading to underage consumers.

Paid Sick Time Moves Closer To Dallas Ballot

A coalition of activists said they have more than double the signatures needed to let Dallas voters decide whether private



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San Diego FOA Golf Tournament Raises Funds For Two Charities

On May 24, the San Diego FOA held and celebrated its 25th Annual Charity Golf Tournament at the River Walk Golf Club in San Diego. The event raised money for two worthy charities: the Warrior Foundation Freedom Station and Swim Across America. The golf tournament was well attended by franchisees and vendor partners, and San Diego franchisees were joined by their colleagues from the Southern California FOA and FOA of Greater Los Angeles, as well as NCASEF officers.



Legislative Update

"CALORIE COUNTS NOW HAVE TO BE POSTED AT THOUSANDS OF RESTAURANTS, GROCERY STORES AND MOVIE THEATERS."

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The menu labeling rule, which was finalized in 2014 after repeated delays during the Obama administration, applies to chains with 20 or more locations that sell prepared foods similar to what you might get in a restaurant — a definition that applies to everything from appetizers to beer and wine listed by the glass. Businesses are supposed to post calories for each food on their menu right where a consumer will see it as they decide what to order. The rule has been delayed repeatedly over the years, as pizza

companies, convenience stores and other business groups at various points have tried to get out of being covered, arguing it would be costly and burdensome to comply. Retailers and pizza companies are no longer outright opposed to the rule, but many want to see the regulation relaxed.

NJ Town Ends Plastic Bag Use

After a six-month grace period, a plastic bag ban went into effect on May 1 in Long Beach Township, New Jersey, reported NBC-10. Plastic bags are no longer allowed at township businesses, except for a couple exceptions: fishing bait at tackle shops and marinas, and raw meat at groceries. Long

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Legislative Update

Beach's mayor said the six-month lead-up was in part to allow stores in the township like Wawas and the Acme supermarket to use whatever plastic bags they had left in stock. To help with the adjustment, about 20,000 reusable canvas bags were handed out to households in Long Beach Township, which makes up roughly 11 miles of the 12-mile-long island in Ocean County. The mayor said the reusable bags cost the township less than a dollar a piece.

NY Governor Could Ban Plastic Bags

New York Gov. Andrew M. Cuomo recently introduced a bill to outlaw single-use plastic bags in the state by next year, reported the *New York Times*. The three-page bill comes a little more than a year after he blocked a 5-cent surcharge that New York City had sought to place on single-use plastic bags. Under the governor's proposal, a variety of bags would be exempted from the ban, including those that contain raw meat, fish or poultry, and takeout food bags. In a statement accompanying the announcement, Gov. Cuomo described the measure as an effort to counteract the "blight of plastic bags" that is taking "a devastating toll on our streets, our water and our natural resources."

If the bill were to pass, New York would join California, which approved a

statewide ban of plastic bags in 2016. Hawaii has a de facto ban on plastic bags; all of its counties have instituted bans. However, the measure faces an uncertain path in the Legislature, where leaders of the Assembly and the Senate had opposed the New York City's bill.

NYC Considers Plastic Straw Ban

A New York City councilman recently introduced a bill that would ban disposable plastic straws in all venues across the city, from stadiums to street vendors, reported Gothamist.com. Several American cities have already banned plastic straws, including Malibu, Seattle, and Miami Beach, and the idea has gained popularity internationally. The

Wildlife Conservation Society is supporting the bill, and has created their own campaign Give A Sip, to highlight the environmental damage of disposable straws.

"New York could join California and Hawaii as the third state to approve a statewide ban of plastic bags."



If New York passes the law, it could be the largest city in the world to ban plastic straws, the article states. It's unclear how much support the bill will have in the City Council, but the measure's sponsor is optimistic it will fare better than attempts to ban single use plastic bags in New York. **AV**

Want to talk to other franchisees?



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organizations in all 33 states
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■ Nick Bhullar, Vice Chairman,
Board Member, So. California FOA
bhullar711@yahoo.com
818.571.1711

■ Romy Singh, Vice Chairman,
President, Eastern Virginia, FOA
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by Cox Business found that 71 percent of the respondents would spend more money at a small business if it supported a social cause—as long as it's positive or environmental. According to an analyst, a socially active company can reap many benefits besides increasing revenue. Companies that participate in certain causes are able to recruit better talent, increase employee morale, improve their brand and attract more capital.

There are many ways to support a cause, including offering employees a chance to do pro-bono or volunteer work, matching employee gifts to the cause, hosting events, or running holiday or special fundraising campaigns. A 2017 survey from Allstate Insurance Company and *USA Today* found that almost half of the business owners asked said they contribute to local charities or perform community service close to home.

Big Box Retailers Roll Out Charging Stations

Target and Walmart plan to add hundreds of electric vehicle charging stations to their stores, reported the *Star Tribune*. Target, which started piloting charging stations in 2012, currently has them at 18 locations in five states (Minnesota, California, Hawaii, North Carolina and Texas), including at its headquarters in downtown Minneapolis and Brooklyn Park. It said it will add them to 100 locations, amounting to 600-plus parking spaces, in more than 20 states over the



next two years. Target's program is in conjunction with partners Tesla, ChargePoint, and Electrify America (a subsidiary of Volkswagen). Meanwhile, Walmart said it plans to more than double the number of electric vehicle charging stations at its stores by adding several hundreds charging stalls, with an aim of having more than 1,000 of them in the coming years. Electrify America is also one of Walmart's partners.

NYPD Tests Anti-Skimming Device

The New York Police Department is testing a new gadget that officials hope will turn the tide in the war against credit card skimmers, reported the *New York Post*. Cops have been trying out the "Skim Reaper" around the city since February, and believe that the \$50 device could help spell the end of a crime that, according to the Secret Service, rakes in more than a billion dollars each year nationwide. Users insert the Skim Reaper, comparable in size to a long credit card, into a card reader, and a display screen reads "Possible Skimmer!" whenever one of the nefarious devices is detected. One of the most attractive features of the Skim Reaper is the simplicity, allowing even cops who don't normally investigate financial crimes to help track down skimmers.

"Target will add electric vehicle charging stations to 100 locations in more than 20 states over the next two years."

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• **Chile recently became the first country in the Americas to ban plastic bags from stores across the country** in an effort to reduce unnecessary waste, reported *Telesur.net*. • **Amazon.com recently started a new program to deliver packages to its members' parked cars**, reported *Reuters*. The online retailer is rolling the program out in 37 U.S. cities for customers with newer compatible vehicles and plans to expand the service. • **Walmart recently announced a new associate education program that will allow employees—part-time, full-time, and salaried—to get an online college degree in either business or supply chain management for just \$1 a day**. The company said it would cover tuition, fees and books, and the degrees will be offered through the University of Florida, Brandman University and Bellevue University. • **McDonald's will replace plastic straws with paper straws in all its UK and Ireland restaurants** beginning in September, reported *BBC News*. This decision follows a successful trial in selected restaurants earlier this year. It is the latest company to opt out of some single-use plastic products, which can take hundreds of years to decompose if not recycled. • **Starbucks plans to close 150 poorly performing company-operated stores next year, about three times as many as it typically closes**, reported *CNN Money*. The affected stores are located in mostly urban areas that are densely populated with Starbucks locations. • **Dollar General is the first dollar-store chain to move into mobile checkout with a new app**, reported *Progressive Grocer*. DG Go is a shopping app that lets users scan and pay for products they select directly from their phone, allowing them to skip the checkout line altogether. It's available for both Android and iOS devices. 7-Eleven Canada and Vancouver Bike Share announced an agreement that recognizes 7-Eleven Canada as a Community Sponsor of Vancouver's public bike share system. **AV**

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Did We Burn The Bridge?

By Nisar Siddiqui, Midwest FOA Vice President

The saying “Don’t burn bridges” comes from the idea that if we use a bridge to cross a river and then burn it, we can’t get back over the river if we need to do so in the future.

Recently, we all were feeling overwhelmed, under-appreciated and we were almost about to burn the bridge with our partner. After taking a deep breath, putting our thoughts together, we were able to collaborate a plan of action with a clear conscience between the two parties (National Coalition and SEI).

I believe that not only the National Coalition, but all franchisees across the nation want a healthy relationship with SEI so we can work as a team towards the common goal of success. The vision for franchisees involves a stronger financial base in our stores and working in an environment where there is open communication between both parties. Above all, we would like SEI to understand and appreciate that our stores are our bread and

butter, and our hard-earned investment to provide a decent living for our families.

In this day in age of new competition—for example, Amazon home delivery and it’s unmanned Amazon Go convenience store—we are surrounded by a growing number of retailers looking to take business away from us. Our business is not what it used to be, as it is constantly evolving and we must as business owners change, too. With lower customer counts due to people ordering online, minimum wage increases, profit margin decreases, and other factors affecting our bottom lines, we need a better understanding on how all these effects are transpired to the franchisee.

“THE VISION FOR FRANCHISEES INVOLVES A STRONGER FINANCIAL BASE IN OUR STORES AND WORKING IN AN ENVIRONMENT WHERE THERE IS OPEN COMMUNICATION BETWEEN BOTH PARTIES.”

When both parties create an open environment of communication, it will only lead to greater work satisfaction, reduced stress, and create loyalty and mutual respect throughout our system. I urge both parties to build the bridge and not to burn it.

“ALL FRANCHISEES ACROSS THE NATION WANT A HEALTHY RELATIONSHIP WITH SEI SO WE CAN WORK AS A TEAM TOWARDS THE COMMON GOAL OF SUCCESS.”



Hy-Vee Benefits Program For Part-Timers

Supermarket chain Hy-Vee recently announced a new part-time employee benefits program it calls the first of its kind in the retail industry. The program offers 11 elective benefit options to more than 58,000 part-time employees, which also cover spouses and dependents. Elective benefit options include: health; dental; short-term disability; vision; group life; accident; critical illness; hospital indemnity; individual life and dis-

ability; auto, homeowners and renters; and pet insurance.

“Our people are the key to our success. We developed the new part-time employee benefits program with the goal of giving Hy-Vee a competitive advantage in the recruiting and retention efforts of our part-time employees,” said Sheila Laing, Hy-Vee’s chief ad-

“Supermarket company Hy-Vee is offering benefits to part-time employees as part of a retention effort.”

ministrative officer and executive vice president.

Bottled Water, America’s Favorite Drink

Bottled water is the No. 1 beverage product in the U.S. by volume for a second year in a row, the International Bottled Water Association (IBWA) and the Beverage Marketing Corporation (BMC) announced recently. Bottled water volume grew to 13.7 billion gallons in 2017, a 7 percent increase over the previous year.

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Bottled water sales now total \$18.5 billion, an increase of 8.8 percent. Per capita consumption exceeds 42 gallons of bottled water, a 6.2 percent increase. Meanwhile, the average annual intake of carbonated soft drinks has slipped to 37.5 gallons, BMC statistics show. Beverage Marketing predicts bottled water will climb higher than 50 gallons per capita within just a few more years. Within the bottled water category, all segments grew in 2017:

- Domestic non-sparkling increased 5.5 percent.
- Domestic sparkling increased 27.5 percent.

- Imported water increased 9.2 percent.
- Home and office delivery (3 and 5-gallon size bottles) increased 1.3 percent.

Small Business Sale Prices Reach Record Highs

BizBuySell.com reported continued strong business-for-sale activity in the first quarter of 2018, with record-breaking sales prices and transactions highlighting a positive start to the new year. Small businesses sold for a median sale price of \$245,000 in the first quarter of

2018, the highest sale price since BizBuySell started tracking the data in 2007 and a 3.4 percent increase from a year ago. The median asking price of sold businesses also hit a record high at \$262,000, a 4.8 percent increase from 2017.

According to the report, the median asking price for existing franchises for sale in the United States on BizBuySell was \$225,000. These businesses had a median revenue of \$489,780 and a median cash flow of \$93,104. Owners asked for, on average, a revenue multiple of 0.59 and a cash flow multiple of 2.91. **AV**

SUCCESSFUL GOLF TOURNAMENT & TRADE SHOW FOR EASTERN VIRGINIA FOA

Members of the Eastern Virginia FOA recently held two spectacular events that unified local franchisees and their vendor supporters. The group’s Golf Tournament was held on June 6 at the Sleepy Hole Golf Course in Suffolk, Virginia. It was well-attended by franchisees, who played alongside 42 vendor partners.

The EVFOA Trade Show was held on June 7 at the Hilton Conference Center in Suffolk. Franchisees representing 161 stores roamed the trade show floor, checking out the latest products and deals being offered by



the exhibiting vendors. There were raffle giveaways throughout the event, and afterwards the participating vendors were recognized for their support. The EVFOA thanks all franchisees and vendors for making both events so immensely successful, as well as distinguished guests Suburban Washington FOA President Arvinder Makkar and FOAC President Ken Patel.





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Member News **NCA SEF**

SEI News

FIRST SELF-CHILLING CANNED BEVERAGE

SEI announced that it is currently testing its proprietary Fizzics Sparkling Cold Brew Coffee, which comes in the first self-chilling cans available to the public in the U.S. Created by The Joseph Company International Inc., the Chill-Can technology filled with the Fizzics coffee drink is being tested at 15 Los Angeles-area 7-Eleven stores.

The Chill-Can containers are purchased at ambient temperature and chilled when ready to consume. When activated, the patented technology utilizes reclaimed CO2 and the process automatically chills the can and the sparkling coffee beverage inside. The self-chilling can has been recognized by the Environmental Protection Agency (EPA), NASA and the U.S. Army.

The company said the Fizzics Sparkling Cold Brew Coffee drinks are available in three flavors—Regular, French Vanilla and Caramel. Made with 100 percent Arabica beans and all natural flavors, each 8.4-ounce can of the fizzy brew contains only 50 calories, 10 grams of sugar and less than 80 mg. of caffeine.

“Fizzics Sparkling Cold Brew Coffee utilizes reclaimed CO2 to automatically chill the can and the sparkling coffee beverage inside.”



JOE DEPINTO HONORED BY JUVENILE DIABETES FOUNDATION

The Greater Dallas Chapter of the Juvenile Diabetes Research Foundation (JDRF) honored SEI President and CEO Joe DePinto at its annual Dream Gala on April 28 at the Omni Dallas Hotel, reported the *Dallas Morning News*. JDRF officials said 7-Eleven has helped raise over \$4 million for the organization over the last six years, and the company's vice president of procurement, David Strauss, serves on the local JDRF board.

SEI TRANSFORMS SUPPLY CHAIN

SEI has successfully deployed a range of JDA Software, Inc. solutions in the JDA Cloud—including JDA Demand, JDA Fulfillment and JDA Order Optimization—to manage inventory and streamline supply chain processes. SEI said it chose JDA to gain deeper visibility into its inventory to reduce high levels of out-of-stocks and decrease expiries, while maintaining its expected 99 percent service levels. With JDA, SEI will fill each store's perishable orders efficiently, while planning for each store's demand in multiple quantities and load types across multiple distribution centers. The deployment's concise demand plan and more accurate inventory ordering also enables SEI to be more proactive with its suppliers about reducing costs across the supply chain.

7-ELEVEN PREMIUM VINTAGE WINE

SEI recently unveiled its newest wine, Voyager Point, which it said lets wine-lovers trade up in quality at an affordable price. Voyager Point varietals include Cabernet Sauvignon and Red Blend from California and Sauvignon Blanc from the Marlborough region of New Zealand. Suggested retail price for a 750 ml bottle is \$9.99. The Sauvignon Blanc can be chilled, while the Cabernet and Red Blend are held ambient on store shelves. The Voyager Point wine bottles come with an easy-to-open Stelvin closure—a type of screw top

that preserves freshness—and the bottle label was designed to appeal to millennial wine-drinkers

In a released statement, SEI said the wines were benchmarked against the top-selling premium wines in each varietal and in testing, customers preferred Voyager Point over the higher-priced national brands. Priced

between \$9 and \$12, the premium wines category is the top trending price segment in the industry, with red wines specifically growing in popularity. IRI data through April has Cabernet and

“SEI said Voyager Point was benchmarked against the top-selling premium wines in each varietal.”



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SEI News

Red Blend varietals up 6 and 9 percent, respectively, in dollar sales growth over prior years.

HOT NEWS ON COLD BREW

Cold-brewed coffee is a hot commodity among millennial and Gen Z coffee-drinkers, and 7-Eleven is introducing its

own version of the popular chilled drink. The company's new proprietary Cold Brew Iced Coffee is slow steeped and chilled for peak smoothness and flavor. Cold brew is the process of brewing a beverage using room temperature or cold water. The process takes anywhere

from 12-24 hours to reach the optimal brew strength. Since it

is made without heat, cold brew creates a lower acidity level in the beverage for a smoother, naturally sweet taste. While 7-Eleven's Cold Brew Iced Coffee is smoother and sweeter than fresh-brewed hot and iced coffees, some customers may still choose to customize their beverages with their choice of creamers, sweeteners, toppings and syrups.

A 2017 study showed that cold-brew coffee is one of the fastest-growing beverage categories in food service. In 2017, sales of cold brew coffee were up 80 percent over the previous year. The new

continued next page



"A 2017 study showed that cold-brew coffee is one of the fastest-growing beverage categories in food service."

SEI News

brew is especially popular with younger coffee-drinkers: over 50 percent of millennials today say they like or love the cold brew iced coffee. Not surprisingly, cold brew iced coffee is especially popular in the months when hot coffee sales slow—summer.

FREE ICE CREAM VIA POSTMATES

SEI teamed up with on-demand delivery service Postmates and Nestle to offer free pints of Häagen-Dazs ice cream to customers near participating 7-

Eleven stores over Memorial Day Weekend. The promotion started on May 25 at 1:00 p.m. local and ended on May 27 at 11:59 p.m. Customers simply had to



download and open the Postmates app on either iOS or Android to score the deal. Pints were available in vanilla, chocolate, coffee and strawberry in Brooklyn/Queens, Los Angeles, Long Beach, Manhattan, Miami, New York City, Orange County, Phoenix, Portland, Sacramento, San Bernardino, San Diego, San Francisco, Seattle, and Washington DC. A Postmates delivery fee of \$1.99 applied. "To kick off summer, we thought bringing pint-sized convenience to our customers with free Häagen-Dazs

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SEI News

ice cream was a delicious idea,” said 7-Eleven Chief Digital Officer and Chief Information Officer Gurmeet Singh.

‘OPERATION CHILL’ KICKS OFF

SEI recently activated its popular Operation Chill program to help local police officers meet kids where they are and have positive interactions with them. For the 23rd year, 7-Eleven is working with police and sheriff’s departments to distribute the coupons to deserving children and youth. During 2018, 7-Eleven will issue 1.4 million Slurpee coupons to approximately 1,100 law enforcement agencies. Most will be distributed during the summer months and back-to-school season.

Big city police departments and small town forces alike use the Slurpee coupons to enhance relationships with young people by rewarding them for good deeds, constructive activities and acts of kindness. Appropriate “offenses” might include helping another person, following safety and traffic laws, or participating in a community- or police-sponsored event.



“For the 23rd year, 7-Eleven is working with police and sheriff’s departments to distribute the coupons to deserving children and youth.”

MAKE CHILD SUPPORT PAYMENTS AT 7-ELEVEN

Washington residents can now pay child support using cash at 7-Eleven stores, reported *The Spokesman-Review*. The state’s Department of Social and Health Services recently announced it’s partnering with PayNearMe, a national vendor, to enable cash payments of child support at 7-Eleven, among other retailers. There is a \$1.99 fee per payment for using the service. The article states people need to create an account online with PayNearMe to use the system.

KEEPING UP WITH JONES SODA

7-Eleven and Jones Soda Co. are expanding the number of stores carrying regional Big Gulp flavors created by the premium soda company. Customers at more than 1,000 7-Eleven stores in northern California and Canada now will be able to enjoy exclusive Jones flavors on the Big Gulp fountain. Previously, these proprietary beverages were



only available at participating 7-Eleven stores in Oregon and Washington state.

Flavors vary by region. At participating stores in the Pacific Northwest and northern California, the exclusive featured Big Gulp flavor by Jones is 7-Select Blueberry Lemonade. In the Pacific Northwest region, Jones Blue Bubblegum flavor will be available on the Slurpee machine. In Canada, Jones fans can enjoy the signature Jones Berry Lemonade flavor on the Big Gulp fountain at participating 7-Eleven stores. 7-Eleven and Jones Soda will also release new limited time 7-Select flavors throughout 2018.

SURCHARGE-FREE ATMS INSTALLED

SEI recently completed the installation of surcharge-free ATMs at 7,934 stores throughout the United States. FCTI, Inc. was awarded exclusive ATM installation and operations for 7-Eleven stores in the U.S., and implementation kicked off in August 2017. Over the next six months, FCTI associates and partners organized to place new, updated equipment and software throughout the portfolio. Final installation and on-boarding was confirmed the second week of March 2018.

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SEI News

FCTT's turnkey MBA ATMs provide a host of benefits for store customers, including advanced security utilizing a variety of tools such as hard disk encryption in conjunction with access/intrusion protection and other security measures. The systems also offer marketing and advertising opportunities for 7-Eleven to promote foot traffic and in-store sales.

COLORING OUTSIDE THE LINES

Not afraid to color outside the lines, SEI representatives recently delivered more than 200,000 coloring pages to elementary schools nationwide. To kick off summer, each child's coloring sheet included a coupon for a free Slurpee at their neighborhood 7-Eleven.

Approximately 1,700 representatives from 7-Eleven personally delivered 170,000 coloring sheets to

"SEI representatives recently delivered more than 200,000 coloring pages to elementary schools nationwide."

kindergarten through second graders, as well as 42,500 adult coloring pages with a coffee coupon for school officials, in 88 participating markets. Students were also invited to share their masterpieces with 7-Eleven store associates for public display and enjoyment.

(ANTI) SUPER HERO LANDING AT 7-ELEVEN STORES

To celebrate the new movie Deadpool 2 in May, SEI launched exclusive Deadpool themed products, sweepstakes promotions, and its first ever augmented reality (AR) in-store experience that literally brought Deadpool into the store, exciting fans with new surprise activities each week. All AR activities were accessed through the 7-Eleven mobile



app. Exclusive Deadpool-branded items from collectible Slurpee cups and straws to chimichangas, Monster Mutant bottled energy drinks, Mike's Harder Watermelon Lemonade and Trolli Sour Brite Tiny Hands candy could be found at participating stores.

By scanning the 7-Eleven app at checkout, customers were able to earn 7Rewards loyalty program points and enter a contest for a chance to win prizes such as movie tickets, a trip to Las Vegas and more. But the biggest news was the in-store AR that invited Deadpool fans to engage in fun virtual activities (new ones each week) to earn 7Rewards bonus points. **AV**

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VENDOR FOCUS

UPTIME has changed to a Nutrition label and has new **UPCs**.

Original, Cane Sugar
McLane & Core-Mark SLIN
241608

Unit UPC



DSD SLIN
242667

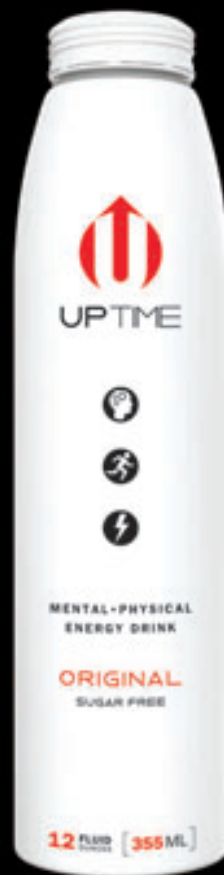


Original, Sugar Free
McLane & Core-Mark SLIN
241404

Unit UPC



DSD SLIN
242678



Please make sure you set and order SLINs 241608 and 241404 right away to keep the growth flowing in your Energy Door.

Come Meet UPTIME Athlete
AARON GORDON from the Orlando Magic
at the NCASEF Show, July 25th, booth #321



Kid-friendly Good2Grow Fortified Waters in Raspberry Lemonade and Orange Mango.

Good2Grow Fortified Waters For Kids

Good2Grow is debuting a new line of Fortified Water products available now. Good2Grow Fortified Waters provides a kid-focused offering in the water door, which is dominated by non-kid focused options. Fortified Waters will further expand the water category's usage and appeal to kids who typically view water as their least desirable beverage option.

This new line from Good2Grow comes in a 10 ounce bottle and is available in two delicious flavors: Raspberry Lemonade and Or-

ange Mango. Kids will also love the new, exclusive characters in this line, and parents will appreciate that these products contain a good source of Vitamin D and Calcium, while still only being 20 calories and 3g of sugar.

Simply's New Line Of Light Juices

Simply Beverages is expanding their line of beverages with the introduction of a new line of juices, Simply Light. The new line of beverages stays true to the delicious Simply taste fans love, but with less sugar and fewer calories. Simply has the #1 SKU in unit sales and dollar sales in 7-Eleven's Premium Juice Category, and new Simply Light has a strong purchase intent: 71 percent of chilled juice/drinks consumers said they would definitely/probably will buy. Available in 11.5 ounce bottles, Simply Light has a Suggested



Retail Price of \$1.99 and generates a profit of \$1.01, for a Margin of 50.8 percent. Order both flavors for your stores!

- **Simply Light Orange with Calcium & Vitamin D** is made with pure squeezed gently pasteurized orange juice and other simple ingredients, with 50 percent less sugar and fewer calories than Simply juice drinks, and Calcium and vitamin D to maintain strong bones and teeth.

- **Simply Light Lemonade** is a lighter and refreshing alternative to homemade lemonades with 75 percent less sugar and fewer calories than Simply Lemonade.

To promote this
continued on page 94



Visit Simply Beverage's booth at the NCASEF Trade Show for a special BOGO deal.

KELLOGG'S LAUNCHES MAJOR LEAGUE SOCCER PROMOTION

Kellogg's says it's time to kick-up your Cheez-Its and Pringles sales, and give lucky winners and their friends a once-in-a-lifetime opportunity to see their favorite major league soccer team compete in any city the game is being played.

What makes this promotion a sure winner? With soccer's popularity growing across the nation and game attendance and viewing numbers setting new records every season, this promotion connects the consumer's passion for their team with their favorite salty snacks, Cheez-Its and Pringles. Kellogg's has all the promotional activation elements ready to take the field:

- **On-Pack & In-Store Support:** Specially marked packages of Pringles and Cheez-It products will include details of how consumers can win a trip to see their favorite soccer club play. Major League Soccer promotional graphics will also be featured on Cheez-It 3-once and Pringles Large Grab & Go displays.

- **Easy, Fun Entry:** To enter, customers simply take a selfie with a qualifying product and upload it to KelloggsMLSSweeps.com for a chance to win: Grand Prizes—5 Trips for 4 people to any MLS game; First Prize—100 pairs of tickets to any MLS game; Second Prizes—1,000 \$50 MLS electronic gift cards to the Major League Soccer merchandise website.

- **Fan Appeal:** Like most sports fans, soccer enthusiasts love to snack while watching the game and many choose salty snacks. America's Hispanic, Gen Y and Gen Z consumers are more engaged in soccer than any previous generation—and 80 percent are consciously drawn to brands that partner with their sport.

The promotion runs from June 1, 2018 to July 31, 2018.

Kellogg's Major League Soccer Promotion gives fans a chance to score a trip to see their favorite team play.



VENDOR FOCUS

continued from page 93

new line, Simply Beverages has planned 7-Eleven- exclusive promotional activity featuring bonus points via the 7-Eleven app: Buy two 11.5 ounce Simply Juices and receive 200 Bonus Points during Period 3, 4 and 5. Simply Beverages is also offering two special NCASEF Trade Show BOGOs: Buy one 11.5 ounce Simply Light OJ and receive one 11.5 ounce Simply OJ FREE; and Buy one 11.5 ounce Simply Light Lemonade and Receive one 11.5 ounce Simply OJ FREE. For more info, call Trish Hale at 806-786-2159

Swisher Sweets Swerve Offers A Tasty Blend

A popular taste combination is now available: Swisher Sweets Limited Edition Swerve cigarillos provide the perfect mixture of sweet and tart with its blend of strawberry and mar-



LIMITED EDITION POWERADE WATERMELON LIME

garita. Swisher Sweets Swerve is available for a limited time in a resealable 2-count pouch with the "Sealed Fresh" guarantee, and is ready for shipment to stores nationwide. It is offered in "2 for 99¢," "Save on 2," and "2 for \$1.49" options.

Swisher strives to give customers exactly what they want with their limited-edition cigarillos, and Swerve is sure to be another favorite this summer. This edition of Swisher Sweets is available only while supplies last. Additional limited tastes are expected throughout 2018. For more information or to place an order, contact your Swisher representative at 1-800-874-9720.

Smokey Mountain Gets SEI Recommended

Swisher Sweets Swerve combines strawberry and margarita. Swisher Sweets Swerve is available for a limited time in a resealable 2-count pouch with the "Sealed Fresh" guarantee, and is ready for shipment to stores nationwide. It is offered in "2 for 99¢," "Save on 2," and "2 for \$1.49" options.



Limited Edition Swisher Sweets Swerve combines strawberry and margarita.

mended" and on 3' & 4' Schematics: Classic Flavor (SLIN 320028) and Wintergreen Flavor (SLIN 320027). Please check your schematics. Both flavors are 100 percent sales guaranteed! All Smokey Mountain flavors are both tobacco and nicotine free, and made with FDA approved food grade ingredients in an inspected facility. For more information contact Richard Hunsberger, VP National accounts, at 214-914-5531 or rhunsberger@smokeyusa.com.



Redd's Wicked New Lemonade Flavor

Redd's Wicked will launch its latest flavor, Lemonade, in July 2018 and compete in the large, growing High-ABV Flavored Malt Beverage lemonade category. At 8 percent ABV, Redd's Wicked Lemonade turns up the dial on lemonade for an intensity that starts strong and finishes smooth for the ultimate refreshment. Strongly appeals to 21-27 year-old FMB drinkers. Available in 24oz Can.



Redd's Wicked Lemonade was made to compete in the growing High-ABV FMB lemonade category.

Small & Discreet Airio Micro Cigarette Filters

There are over 40 million cigarette smokers in the U.S., with many looking to reduce the harmful chemicals and tar in their cigarettes.

New Airio Micro Cigarette Filters from Smokey Mountain

Herbal Snuff reduce tar by 66 percent, improve taste and are small and discreet. They also provide great retail margins:

with a cost of approximately \$0.75 per 20-count filter packs and SRP of \$1.99, you make \$1.00 on each sale.

Now orderable from McLane (UIN 930180) or Core-Mark (439115). Try it

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Smokey Mountain's Airio Micro Cigarette Filters cut tar and have great retail margins.

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July 1 to August 31

On The Go Innovative Automotive Wash and Wax Wipes

New Armor All Wash Wipes and Wax Wipes

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ARMOR ALL ULTRA SHINE WAX WIPES
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SLIN 203938



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STP HIGH MILEAGE POWER STEERING FLUID + STOP LEAK
15 ounce, 20% introductory discount, 45% margin
SLIN 206178



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VENDOR FOCUS

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now and enjoy 100 percent sales guaranteed! For more info contact Richard Hunsberger, VP National Accounts, at 214-914-5531 or rhunsberger@smokeyusa.com.

JUUL Starter Kit

The JUUL Starter Kit is perfect for adult smokers looking to switch from cigarettes, and contains everything adult smokers need to make the switch: a JUUL device, a USB charger and four JUULpods: Cool Mint, Virginia Tobacco, Creme Brûlée and JUUL's most-liked flavor, Mango. Designed for switching and with adult smokers in mind, JUUL delivers nicotine satisfaction akin to a cigarette. With its unique satisfaction profile, simple interface,



The JUUL Starter Kit for adult smokers looking to switch from cigarettes.

flavor variety and lack of lingering smell, JUUL stands out as the vapor alternative. To learn more on becoming an authorized retailer, please visit <http://www.juul.com/retail/wholesale>.

UPTIME Energy Drinks Get New UPCs/SLINs

UPTIME Energy continues to experience tremendous growth—attracting new consumers and expanding the energy drink category to open up even more opportunity. Now, UPTIME has switched from a Supplement to a Nutrition Facts label and changed UPCs and SLINs. One of the many benefits of making this change includes the ability for UPTIME to be purchased with EBT, which further expands the customer base.



Popular UPTIME Energy Drinks Original and Sugar Free have gotten new SLINs.

To continue driving your own growth and high margins, please ensure the new UPTIME UPCs and SLINs are set up and ordered today! NEW UPTIME McLane/Core-mark SLINs: UPTIME Original Cane Sugar SLIN 214608; UPTIME Original Sugar Free SLIN 241404. New UPTIME DSD SLINs: UPTIME Original Cane Sugar SLIN 242667; UPTIME Original Sugar Free SLIN 242678. UPTIME is how energy should feel!

CHERRY EXTRA STRENGTH 5-HOUR ENERGY IS BACK

The makers of 5-hour ENERGY are excited to be an official partner of the 2018 MLB All-Star Game. To celebrate, they've re-introduced a fan favorite—Cherry Extra Strength 5-hour ENERGY shots. They've also teamed up with MVP José Altuve for a pair of national television commercials and a sweepstakes to win a trip to Washington, D.C. for MLB All-Star Week. Displays for floor and counter are ready to ship. Cherry Extra Strength 5-hour ENERGY shots are available for a limited time only, so order yours today!



5-Hour is partnering with MLB on Cherry Extra Strength, available for a limited time.

5-HOUR'S NEWEST LINE OF SHOTS: TEA



5-hour TEA is designed to attract a new generation of energy shot consumers.

The makers of 5-hour ENERGY have announced the release of an exciting, innovative line of energy shots: 5-hour TEA. With caffeine from green tea leaves—and only green tea leaves—it's energy for people with a more natural outlook. 5-hour TEA is available in two flavors—Peach Tea and Lemonade Tea. With its crisp, clean look and great taste, 5-hour TEA is designed to attract a new generation of energy shot consumers. Both flavors are available now, and national television advertising has started, so be sure to have plenty of 5-hour TEA on hand to meet the growing demand.

Super Healthy WTRMLN WTR



WTRMLN WTR is made with two simple ingredients—fresh watermelon and organic lemon.

WTRMLN WTR is the pioneer in deliciously hydrating, super healthy watermelon water. It is made with two simple ingredients—fresh watermelon and organic lemon. Each hand-selected, hand-skinned melon is cold-pressed using the rind

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3 CARTON DISPLAY 3 CARTONS - 24 BOOKLETS EACH
SLIN 322810 - UIN 742726



ORANGE 1 CARTON - 24 BOOKLETS
SLIN 320298 - UIN 504802
0 08660 00724 7



WHITE 1 CARTON - 24 BOOKLETS
SLIN 320643 - UIN 504308
0 08660 00702 5



ULTRA THIN 1 CARTON - 24 BOOKLETS
SLIN 322749 - UIN 052365
0 08660 00731 5



GRAPE 1 CARTON - 25 TWO PACKS
SLIN 321442 - UIN 555383
7 84762 07200 9

MANGO 1 CARTON - 25 TWO PACKS
SLIN 321478 - UIN 074021
7 84762 07206 1

STRAIGHT UP® 1 CARTON - 25 TWO PACKS
SLIN 321478 - UIN 074633
7 84762 07208 5

BLUEBERRY 1 CARTON - 25 TWO PACKS
SLIN 321446 - UIN 554600
7 84762 07201 6



#1 Cigar
Wraps
Brand

*Source: MSA, 26 weeks ending 12/23/2017

3 CIGARS FOR 99¢
GRAPE 1 CARTON - 15 THREE PACKS
SLIN 321336 - UIN 634485
7 84762 07230 6

2 PK. NON-PRICED
GRAPE 1 CARTON - 15 TWO PACKS
SLIN 320375 - UIN 244285
7 84762 07350 1

STRAIGHT UP® 1 CARTON - 15 THREE PACKS
SLIN 321019 - UIN 773713
7 84762 07232 0

STRAIGHT UP® 1 CARTON - 15 TWO PACKS
SLIN 320376 - UIN 244335
7 84762 07352 5

MANGO 1 CARTON - 15 THREE PACKS
SLIN 321033 - UIN 634505
7 84762 07236 8

MANGO 1 CARTON - 15 TWO PACKS
SLIN 320845 - UIN 244376
7 84762 07354 9

WT. GRAPE 1 CARTON - 15 THREE PACKS
SLIN 321408 - UIN 773705
7 84762 07235 1

WT. GRAPE 1 CARTON - 15 TWO PACKS
SLIN 320760 - UIN 198168
7 84762 07355 6

SWEETS 1 CARTON - 15 THREE PACKS
SLIN 321349 - UIN 773721
7 84762 07234 4

SWEETS 1 CARTON - 15 TWO PACKS
SLIN 320613 - UIN 198135
7 84762 07356 3

ZIG-ZAG

CIGARILLOS



Made in the Dominican Republic
SLOW & EVEN BURN

Manufactured by
North Atlantic Operating
Company, Inc.
© 2018 North Atlantic Operating Company, Inc.

*Available in: CA, DC, DE, FL, IL (except Cook County), IN, KS, KY, ME, MI, MO, NC, NJ, NY, OH, PA, SC, TX, VA, WV

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continued from page 96

and flesh, treated with a short, innovative nutrient preserving process, and refrigerated until consumed in BPA-free plastic bottles. Every detail, including how the company tells its story through wellness experts hired as brand educators, the chic melon-forward packaging, the elegant “straw in melon” design, and even its corporate office have a touch of love—hence, the product’s nickname of “Liquid Love.”



Nutraplex Bars blend a grab-me-off-the-shelf packaging appeal with high nutritional value.

Nutraplex Raises The Nutrition Bar

The quest for a better-for-you snack/nutrition bar just took a running leap forward: Nutraplex Bars lead the pack in flavor and nutrition profiles. Each delicious bar delivers superior nutrition and energy for the long haul, including 13 grams of chia, 8 grams of fiber, 2,500 mg of Omega-3s, protein and

antioxidants. All the ingredients are derived from nuts, seeds and fruit.

Nutraplex Bars blend grab-me-off-the-shelf packaging appeal with off-the-charts nutritional value. Tasty, intriguing flavors—Megaberry, Pineapple Coconut, Mango Strawberry, Pomegranate Cherry—reward consumer’s taste buds. At the same time, gluten free, low glycemic, soy free, dairy free, Non-GMO, Kosher, and vegetarian ingredients reward the inner athlete in all of us.

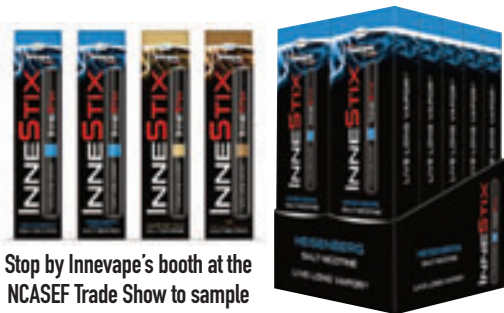
Innevape Enters 7-Eleven With Two New Products

Innevape is excited to introduce two new products at the 2018 NCASEF Convention and Trade Show, specifically designed with the convenience store market in mind—Innevape Salts and InneStix.

• **Innevape Salts** are 30 ml bottles of salt nicotine e-liquid, which is used in smaller devices. They are available in 24 mg or 50 mg salt nicotine strengths.

• **InneStix** are pre-filled disposable salt nicotine e-cigarettes. They are available in 50 mg nicotine strength.

Both Innvape Salts and InneStix are available in



Stop by Innvape’s booth at the NCASEF Trade Show to sample Innvape Salts and InneStix.

VENDOR FOCUS

five great flavors your customers will love:

1. Heisenberg (the original blue slushie flavor—a Top-5 selling e-liquid flavor in the U.S. for four straight years)
2. Heisenberg Menthol (the menthol version of Heisenberg, and the #1 selling e-liquid flavor in China for two straight years)
3. TNT (a pure Virginia blonde tobacco)
4. TNT Menthol (the menthol version of TNT)
5. Vape My Day (a butterscotch caramel with a hint of vanilla)

Innevape was established in 2012, and has grown to become one of the largest e-liquid manufacturers in the world. Distributing to over 50 countries, Innvape is a leader and innovator in the e-liquid industry. To sample these truly innovative new products, please stop by Innvape’s booth at the NCASEF Trade Show.

Introducing White Owl Foilfresh Sangria Cigarillos

Swedish Match’s White Owl is expanding upon the award-winning Limited Edition FoilFresh franchise to include White Owl Sangria. Customer can enjoy a smoke that’s as relaxed and smooth as a sip of robust red wine, with just enough delicious, fruit taste to tantalize their taste buds. The latest slow burn cigarillos from White Owl provides the perfect bouquet of mellow tobacco paired with a vine-ripened flavor and a pleasant, intoxicating aroma.

On July 3rd, this new Limited Edition offering will begin shipping. White Owl Sangria is available in “2 for 99 cents,” “2 for 1.49,” and “Save on 2” formats. Call (800) 367-3677 or e-mail customer.service@smna.com for more information.



White Owl Sangria cigarillos will begin shipping on July 3.

Fast-Casual Tai Pei Frozen Asian Entrees

Tai Pei Frozen Asian Entrees offer Asian fast-casual meal options for today’s on-the-go consumer. Tai Pei is available in four delicious flavors made with fresh, bold, quality ingredients: Chicken Fried Rice, Beef & Broccoli, Sweet & Sour Chicken, and Chicken Egg Roll. Conveniently located in the frozen food section and ready in minutes, Tai Pei single serve entrées are prepared with crisp, clean ingredients that contain no additives, preservatives, artificial flavors or colors. Give your customers what they crave—a quick, affordable Asian meal solution with Tai Pei! **AV**



Tai Pei Frozen Asian Entrees offer a quick, affordable Asian meal solution.

BUY4STORE.COM

www.Buy4Store.com One Stop Shopping in United States
207 West 138th Street, Los Angeles CA, 90061 US
Phone: +1(310) 715-6034

<p>\$36.00 / Set Item # 10746</p>	<p>\$36.00 / Set Item # 10748</p>	<p>\$15.00 / Set Item # 7631</p>	<p>\$27.00 / Dz Item # 8065</p>
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<p>\$99.00 / Set Item # 3381</p>	<p>\$14.00 / Dz Item # 8292</p>	<p>\$15.00 / Dz Item # 8342</p>	<p>\$10.50 / Dz Item # 8241</p>
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<p>\$26.00 / Dz Item # 10740</p>	<p>\$25.00 / Dz Item # 10738</p>	<p>\$15.00 / Dz Item # 8190</p>	<p>\$32.00 / Dz Item # 9389</p>
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<p>\$14.00 / Dz Item # 8617</p>	<p>\$5.00 / Dz Item # 9800</p>	<p>\$18.00 / Set Item # 10681</p>
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*All Prices are with volume discounts and subject to change

Flavored tobacco product bans
Minimum prices
Minimum package size mandates

Single cigar sales ban
Prohibiting tobacco coupons

Raising taxes on tobacco products
Increasing the legal purchasing age to 21

Governments around the country - federal, state and local -
are unfairly impacting adult tobacco consumers, retailers and
wholesalers through excessive taxation and unfair policies and
regulations. Help us fight for fair tobacco policies.

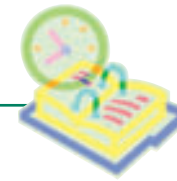
TAKE ACTION TODAY!

tobaccoissues.com



Banning: Philip Morris USA • U.S. Smokeless Tobacco Company • J.R. Watkins • No Mark

FOA BOARD MEETING DATES



7-Eleven FOAC

Phone: 847-353-9999

July 19, 2018—Board Meeting
August 30, 2018—Board Meeting
September 27, 2018—Board & General Mtg.
October 25, 2018—Board Meeting
November 29, 2018—Board Meeting
December 13, 2018—Board Meeting

Central Florida FOA

Phone: 347-251-1828

August 16, 2018
November 8, 2018

Columbia Pacific FOA

Phone: 503-998-5941

August 21, 2018—General Members Meeting
September 20, 2018—Board Meeting
October 25, 2018—Board Meeting

Midwest FOA

Phone: 815-210-2950

CHICAGO DATES
Co-hosted with Alliance FOA
September 27, 2018—General Meeting
MICHIGAN DATES
October 4, 2018—General Meeting



Share Your Experience and Expertise

Do you have a store experience, some operational expertise, or thoughts about the 7-Eleven system you would like to share with your fellow storeowners? **Avanti Magazine welcomes articles from franchisees** interested in communicating their ideas, knowledge, suggestions, opinions, etc. to the franchisee community at large. Please contact Sheldon Smith at sheldon.smith5@verizon.net or 215-750-0178 if you would like to contribute an article to Avanti.



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FOA EVENTS

7-ELEVEN FOAC ANNUAL PICNIC

Forest Preserves of Cook County
Busse Woods Grove 29
Elk Grove Village, Illinois
July 21, 2018
Phone: 847-353-9999

ROCKY MOUNTAIN FOA ANNUAL CHARITY GOLF TOURNAMENT

Cheyenne Mountain Resort
Colorado Springs, Colorado
August 7, 2018
Phone: 855-516-1090

ROCKY MOUNTAIN FOA TRADE SHOW

Hotel Elegante
Colorado Springs, Colorado
August 8, 2018
Phone: 719-576-5900

MIDWEST FOA MICHIGAN GOLF OUTING
(venue to be announced)
August 16, 2018
Phone: 815-210-2950

MIDWEST FOA/ ALLIANCE OF 7-ELEVEN FRANCHISEES FOA GOLF OUTING
St. Andrews Golf & Country Club
West Chicago, Illinois
August 22, 2018
Phone: 815-210-2950

SAN DIEGO FOA DAY AT THE RACES
Del Mar Thoroughbred Club
Del Mar, California
August 24, 2018
Phone: 619-713-2411

SAN FRANCISCO/ MONTEREY BAY FOA GOLF TOURNAMENT

Castlewood Country Club
Pleasanton, California
September 10, 2018
Phone: 510-693-1492

SAN DIEGO FOA VENDOR APPRECIATION DAY
AleSmith Brewing Company
San Diego, California
October 4, 2018
Phone: 619-713-2411

7-ELEVEN FOAC HOLIDAY TRADE SHOW
Holiday Inn
Skokie, Illinois
November 15, 2018
Phone: 847-353-9999

COLUMBIA PACIFIC FOA HOLIDAY PARTY
Hilton Hotel
Vancouver, Washington
November 30, 2018
Phone: 360-513-0289

MIDWEST FOA/ ALLIANCE OF 7-ELEVEN FRANCHISEES FOA HOLIDAY PARTY
(venue to be announced)
December 5, 2018
Phone: 815-210-2950

SAN FRANCISCO/ MONTEREY BAY FOA HOLIDAY PARTY
Biltmore Hotel
San Jose, California
December 7, 2018
Phone: 510-693-1492

MIDWEST FOA MICHIGAN HOLIDAY PARTY
Somerset Inn
Troy, Michigan
December 12, 2018
Phone: 815-210-2950

SAN DIEGO FOA HOLIDAY PARTY
San Diego Marriott Del Mar
San Diego, California
(Carmel Valley)
December 15, 2018
Phone: 619-713-2411

FRANCHISEES



ARE the
Brand

July 23-26, 2018

Trade Show: July 25-26, 2018

NATIONAL
COALITION
43RD ANNUAL
CONVENTION &
TRADE SHOW

Gaylord
Palms Resort
& Convention
Center
**Orlando,
Florida**

**NATIONAL COALITION
BOARD OF DIRECTORS
MEETING**
Gaylord Palms Resort &
Convention Center
Orlando, Florida
July 22-23, 2018

**NATIONAL COALITION
AFFILIATE MEETING**
Pacific Palms Resort
City of Industry, California
November 5-6, 2018

**NATIONAL COALITION
BOARD OF DIRECTORS
MEETING**
Pacific Palms Resort
City of Industry, California
November 7-8, 2018

IF YOU THINK
ADVENTURE IS
DANGEROUS,
TRY ROUTINE.
- PAULO COELHO

CLIMB
ON

UNMISTAKABLE TASTE. UNFORGETTABLE AROMA.



DJARUM BLACK

Using the finest tobacco, Djarum's signature brand, Djarum Black, is harvested and blended with an artisan's care and is known worldwide for creating a rich, pleasurable smoking experience like none other.



www.djarumcigar.com

⚠ WARNING: This product can expose you to chemicals including tobacco smoke, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.
WARNING: Smoking cigars causes lung cancer, heart disease, and emphysema, and may complicate pregnancy.

Ask your Kretek representative for details at salesinfo@kretek.com